

Opposition Seizes Azerbaijani Capital Newly Restored Hard-Line President Driven Into Hiding by Popular Front

By Michael Dobbs
Washington Post Service
MOSCOW — Nationalist opposition forces in Azerbaijan seized control Friday of most strategic points in the capital, Baku, in an insurrection against the Communist-dominated regime of President Ayz N. Muttalibov.



An emphatic Boris Yeltsin during a news conference Friday in Tashkent, Ukraine, at which he denied accusations of heavy drinking.

Yeltsin Denies Accusations of Heavy Drinking

Washington Post Service
MOSCOW — President Boris N. Yeltsin of Russia on Friday denounced accusations by two of his bitterest opponents in parliament that he had appeared drunk in public.

6 of Commonwealth Republics Sign Security Pact

By Fred Hiatt
Washington Post Service
MOSCOW — Russia and five other republics of the former Soviet Union signed a collective security agreement on Friday, while Ukraine and four other of the Commonwealth of Independent States declined to join.

Democracy Talks in South Africa Hit a Roadblock

By Christopher S. Wren
New York Times Service
JOHANNESBURG — A new round of multilateral negotiations on South Africa's future convened on Friday and promptly bogged down in deadlock and recriminations that presaged a rocky road in the nation's transition to post-apartheid democracy.

WORLD BRIEFS

Pakistan Raises Military Outlay 8.4%
ISLAMABAD (Reuters) — Finance Minister Sarraf Aziz said Friday that security concerns did not permit Pakistan to make the military budget cuts demanded by aid donors.

Moscow Blasts Spread in Vladivostok
MOSCOW (Reuters) — Huge explosions tore through the sky near Vladivostok on Friday as more than 250 servicemen battled to put out a blaze that broke out at an ammunition dump Thursday and was spreading.

Case Against Papandreou Is Dropped
ATHENS (Reuters) — The Greek parliament voted Friday to drop criminal charges against former Prime Minister Andreas Papandreou, who was accused of illegally bugging the phones of his friends and his wife in office.

Taiwan Liberalizes Its Sedition Law
TAIPEI (AP) — Parliament amended Taiwan's sedition law Friday in a major step toward greater freedom of speech. The legislation now specifies that only those advocating acts of violence will be prosecuted under the Criminal Code, deleting the clause that punished discussion of Taiwan's independence.

For the Record
Eric Honecker, the former East German leader, has been formally charged with ordering guards to shoot to kill refugees who were trying to flee their Communist homeland, justice officials said Friday in Berlin.

Spain's cabinet has approved a smoking ban on domestic flights of less than 90 minutes. But plans to outlaw smoking in public places, including subway stations, restaurants and shopping centers, were scrapped because Health Ministry officials were skeptical that they could be enforced.

China and Japan have agreed to increase flights between their countries, including a route allowing Chinese airlines to fly to Nagoya, a Japanese official said Friday. Japanese carriers will be allowed to fly seven more weekly jumbo passenger flights to Shanghai beginning July 1. This gives Japanese airlines 13 flights a week.

Air France will start a frequent flier program for full-fare passengers that will take effect June 1. Only passengers residing in France will be eligible for the program, although points will be tallied on international flights. The number of points granted will depend on distance traveled, the class occupied and the type of fare.

The Weather
Forecast for Sunday through Tuesday
North America: A low shows and then... Europe: Dry and warm weather will... Asia: Rain will wet Shanghai and...

Angry Accusations
ANC officials accused the government and Mr. de Klerk's National Party of standing against democracy and negotiating in bad faith in a bid to maintain white supremacy after apartheid, Reuters reported from Johannesburg.

Genoa Is Feting 500 Years Of Famed Son's Discovery
By Alan Cowell
New York Times Service
GENOA — As part of the 500th-anniversary celebration for its most famous son's arrival in America, this Mediterranean city, where Christopher Columbus was born, is offering a fair that will celebrate ships and the sea.

RELIGIOUS SERVICES

- AMSTERDAM: CROSSROADS INTERNATIONAL CHURCH
BRUSSELS: INTERNATIONAL BAPTIST CHURCH OF BRUSSELS
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John F. To Be...
Various advertisements and notices including flight schedules and local business information.

LD BRIEFS

Military Outlay 8.4% - Finance Minister Saraj Aziz said...

spread in Vladivostok - Huge explosions tore through the sky...

apandrou is Dropped - The Greek parliament voted Friday to drop...

izes Its Sedition Law - An amended law on sedition law Friday...

EL UPDATE - ed a smoking ban on domestic flights...

Asia - China's new Shanghai airport...

Africa - The Eritrean government...

Latin America - The Italian conference of bishops...

North America - The vast majority of Opus Dei members...

NASA Sees Satellite Success as a New Beginning

By Kathy Sawyer - Washington Post Staff Writer - HOUSTON - Following the dramatic...

can do things that "machines just cannot do." Mr. Goldin said. He praised the ace rendezvous pilot Dan...

son that will provide international communications giant, Intelsat, with hundreds of millions in earnings over the satellite's estimated...

Astronauts "should not have to do extra-herculean things" if it can be avoided, Mr. Goldin said. Intelsat has said it does not intend to...



Mr. Gorbatchev sharing a laugh and lunch with Jacqueline Kennedy Onassis at the Kennedy Presidential Library in Boston.

Gorbymania: Ironic Shrugs Back Home

By Serge Schmemmann - New York Times Service - MOSCOW - Mikhail S. Gorbachev's heavy swing through the United States...

refused to do as Communist Party leader and Soviet president. "Such external 'capitalization,' judging from everything, has also been internal," the paper wrote.

The longest account of the tour was in Komсомолскаја Правда, which like Kuryaty injected large doses of irony into the reporting.

Clinton Scolds the Education President

By Gwen Ifill - New York Times Service - LOS ANGELES - Bill Clinton is framing education as a major focus of his fall campaign, asking voters to compare his record and ideas with that he describes as President George Bush's broken promises.

He is contending that America's commitment to bettering itself economically and socially has been hurt by a failure to place education at the top of the nation's priorities, and he called for a revived commitment to schools and job training.

AMERICAN TOPICS

Hands on the Wheel, Not on the Car Phone

This is National Cellular Safety Week for the 4 million people who own car telephones. Many of these drivers are convinced, notes The New York Times, that they can maneuver in traffic with phones tucked into their shoulders.

Short Takes

Paul E. Tsongas dropped out of the presidential race too soon, writes Kevin Hayes in the Washington Post. "Tsongas's oversight: Americans prefer presidents with odd middle names." Virtually every White

House occupant since the Depression has had one, and "Paul Ethelmos Tsongas had all the makings of a winner," a worthy successor to Franklin Delano Roosevelt, Harry S. (for nothing) Truman, Dwight David Eisenhower (the only exception to the rule), John Fitzgerald Kennedy, Lyndon Baines Johnson, Richard Milhouse Nixon, Gerald Rudolph Ford, James Earl Carter Jr., Ronald Wilson Reagan and George Herbert Walker Bush, who boasts not one but two middle names.

Mother's Day Is More Than Just a Meal Out

Many people complain that Mother's Day has been over-commercialized, says Stephanie Coontz, author of the forthcoming book, "The Way We Never Were: American Families and the Nostalgia Trip." Mother's Day, which fell May 9 in the United States, is the busiest of the year for restaurants, the preceding week is the busiest for florists, and "the real meaning of Mother's Day is gone."

Mother's Day Is More Than Just a Meal Out

And what is the real meaning? "Most people believe that Mother's Day started out as a private celebration of women's family roles and relations," writes Miss Coontz. Thus "we took Mom breakfast in bed to thank her for all the meals she made us. We picked her a bouquet of flowers to symbolize her personal, unpayable services."

Mother's Day Is More Than Just a Meal Out

In fact, Ms. Coontz says, the first observances of Mother's Day in the 19th century "celebrated the extension of women's moral concerns beyond the home. They commemorated mothers' civic roles and services to the nation," not their roles within the family. "The women who organized the first mothers' days believed that motherhood was a political force that should be mobilized on behalf of the entire community."

Mother's Day Is More Than Just a Meal Out

She adds, "The earliest call for a mothers' day came from Anna Reeves Jarvis, a community activist, who in 1858 organized Mothers' Work Days in western Virginia "to improve sanitation in Appalachian communities."

whose annexation by the Israelis is not recognized by Washington. In any event, Mr. Shamir said that he personally was "not capable of surrendering territory." The future of the territories, he said, was to be negotiated by his successors.

Shamir Accuses the U.S. of Trying To Force Israel Back to '67 Borders

By Clyde Haberman - New York Times Service - JERUSALEM - Prime Minister Yitzhak Shamir said in a published interview Friday that the United States was trying to force Israel to yield nearly all of the territory that it had captured in the 1967 Middle East war.

Shamir Accuses the U.S. of Trying To Force Israel Back to '67 Borders

Other senior Israeli officials have issued similar assertions in recent months, including one Shamir aide who said that Israel would be returned to the "borders of Auschwitz" if it went back to its pre-1967 frontiers.

Shamir Accuses the U.S. of Trying To Force Israel Back to '67 Borders

This was the first time that the prime minister himself made the accusation, although in the past he has criticized the Bush administration for what he said was Washington's attempt to dictate the course of negotiations on Israeli-occupied territories in the ongoing Middle East Peace process.

Shamir Accuses the U.S. of Trying To Force Israel Back to '67 Borders

Mr. Shamir said in an interview with the newspaper Ha'aretz. "The difference between this administration and its predecessors," he said, "is that it shows determination in implementing its position, while other administrations trusted that the issues would be resolved in the course of negotiations."

Shamir Accuses the U.S. of Trying To Force Israel Back to '67 Borders

Nonetheless, even though Mr. Shamir has complained that the Americans had ceased to be an "honest broker" and were tilting toward the Arabs, he added that "until now they have behaved acceptably" in the peace talks under way between Israel and Syria, Jordan, Lebanon and the Palestinians.

Fires in Kuwait Raise Doubts on Nuclear Winter

WASHINGTON - Scientists studying the Kuwaiti oil fires caused by the Gulf War were surprised to find that smoky clouds from the fires did not travel far, leading them to speculate that smoke from a nuclear war might not cause global cooling.

Fires in Kuwait Raise Doubts on Nuclear Winter

In an article in this week's Science magazine, Peter Hobbs of the University of Washington in Seattle and Lawrence Radeke of the National Center for Atmospheric Research in Colorado said that fires resulting from a nuclear war would probably not much as the Kuwaiti oil fires did and would not send massive amounts of soot around the globe.

Fires in Kuwait Raise Doubts on Nuclear Winter

At the time, it was feared that large plumes of smoke from the fires would travel rapidly into the jet stream and cause climate changes worldwide. But the scientists said that airborne studies found that clouds and moisture close to the ground kept the smoke out of the upper atmosphere.

Volley: U.S. Open Echoes

(Continued from page 1) planes from taking off over a park to taking off over people's homes," he said. "The citizens of this county should not be subjected to onerous levels of jet noise simply to placate city officials."

Volley: U.S. Open Echoes

Claire Shulman, the borough president, responded with a statement declaring her resentment at Mr. Guletta's tone in criticizing "the borough's effort to gather and evaluate data on how best to alleviate aircraft noise for hundreds of thousands of Queens residents."

Volley: U.S. Open Echoes

Duncan Pardee, an aviation agency spokesman, said that until the data and complaints from the test were evaluated, the agency would not be able to say with certainty that the new pattern caused the problem.

Inquiry in Mine Deaths

The Associated Press - HALIFAX, Nova Scotia - The provincial government appointed a Nova Scotia Supreme Court justice Friday to head an investigation into the coal mine explosion May 9 that killed up to 26 miners.

Health Workers Cleared Over AIDS

By Lawrence K. Altman - New York Times Service - NEW YORK - Tests of more than 15,000 people have found no new cases in which patients were infected with the virus that causes AIDS from treatment by health-care workers, according to federal health officials.

The guidelines had been approved by Louis W. Sullivan, the secretary of health and human services. But the medical and dental associations reversed position, saying there was no scientifically valid way to draw up such a list.

Health Workers Cleared Over AIDS

The only known such transmission of HIV, the virus that causes AIDS, involves five previously reported cases in the practice of a Florida dentist, David J. Acer of Stuart, who died of AIDS.

Health Workers Cleared Over AIDS

year of AIDS at the age of 23. She had harshly criticized public health officials for allowing Mr. Acer to practice. A bitter feud has developed between the Centers for Disease Control in Atlanta and many health-care workers, civil libertarians and advocates for HIV-infected individuals over guidelines for health-care workers developed by the U.S. agency.

Health Workers Cleared Over AIDS

The Centers for Disease Control initially planned to list procedures that HIV-infected health-care workers should not perform and had strong support from the American Medical Association, the

John Paul, Widening a Divide, To Beatify Opus Dei Founder

By Barry James - International Herald Tribune - Culminating one of the most controversial decisions of his reign, Pope John Paul II on Sunday will beatify the Spaniard who founded Opus Dei, a militant association that some Catholics have described as a sectarian and fundamentalist clique within the church.

conservative values that liberal Catholics find regressive. Giuseppe Conigliano, a spokesman for the Opus Dei in Rome, said many critics were attacking the organization as an indirect way of attacking John Paul II, its protector.

The Pope prayed at Monsignor Escriva's tomb before the conclave at which he was elected, and has given the association a key role in extending his kind of muscular, no-doubts Catholicism. "We start from a position of certainty in our faith, no doubt," Mr. Conigliano said.

For many years, the Opus Dei courted accusations of unorthodoxy, in founding the association in 1928, Monsignor Escriva, a priest and religious but ordinary lay people as well could achieve sanctity in their everyday lives. Opus Dei means work of God.

The vast majority of Opus Dei members - 76,816 according to the 1992 Vatican yearbook - are laymen and women. More than 30,000 of them have taken vows of celibacy, obedience and poverty but they insist on referring to these promises as "solemn commitments" to distinguish themselves from priests or religious. Elite members, known as numeraries, live in communities and practice self-mortification such as flagellation and wearing a spiked ring around their thighs.

Of the 92 witnesses who testified at the process leading to the beatification, only one was unfavorable and his testimony was rejected. A list of witnesses published in Spain indicates that two-thirds of the witnesses were members of the Opus Dei and many others were closely connected with the association, a



Volley: U.S. Open Echoes

At the time, it was feared that large plumes of smoke from the fires would travel rapidly into the jet stream and cause climate changes worldwide. But the scientists said that airborne studies found that clouds and moisture close to the ground kept the smoke out of the upper atmosphere.

Gallery Hotel advertisement: In the heart of Barcelona. Totally soundproofed. 110 rooms. 5 suites. Cafe del Gallery-Brasserie with a charming courtyard garden.

Paris 17th advertisement: DUBUIN POLO I, CARR'S AUBERGEE DE FRANCE, THOMIEUX, KERVANSARY, LE WESTERN.

Monaco Grand Prix advertisement: MONACO GRAND PRIX 91. Official sponsor of the Grand Prix de Monaco.

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Herald INTERNATIONAL Tribune

Heroism but No Miracles

Those three space-suited astronauts did more than salvage a communications asset Wednesday night. They saved the space program from ignominious failure.

resourcefulness saved the day. Three of them ventured forth in the largest spacewalk ever and jointly grabbed the shuttle's spinning satellite.

The Yugoslav Calamity

Serbia Must Be Isolated

The news from Yugoslavia becomes ever more calamitous. Serbian insistence on pressing the attack in Bosnia is forcing the United Nations, far from substantially increasing its ranks as the crisis requires, to thin its already minimal presence in the besieged and battered Bosnian capital of Sarajevo.

Recognize Macedonia

The United States has rightly distanced itself from the aggressor gnat now running Serbia, but it still will not recognize the peacefully inclined former Yugoslav republic of Macedonia.

Other Comment

A Surprise for Israel

The announcement Tuesday that the United States supports the Palestinian Arab "right of return," as stipulated in a UN General Assembly resolution of 44 years ago, is perhaps the most shocking of the many surprises the Bush administration has sprung on Israel.

Investing in the Cities

If lenders had taken just a fraction of the millions they squandered on bad loans to real estate speculators and leveraged buyouts in the 1980s and had invested the money instead in urban America, cities might be better off today.

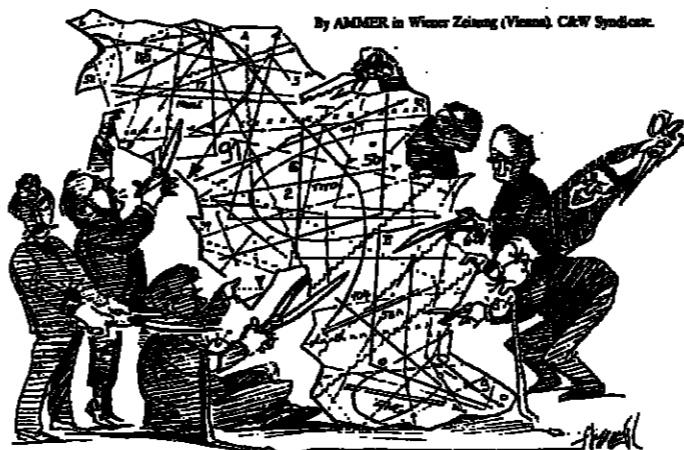
Yugoslavia: Costs of a European Failure

By Stephen S. Rosenfeld

WASHINGTON — Beyond the death and suffering, what stuns people about Serbia's aggression in Yugoslavia is that it proceeds in a region, Europe, where that sort of thing is not supposed to happen any more and where a full set of institutions and procedures ostensibly is available for rescue service.

European CSCE — the Conference on Security and Cooperation in Europe — could not bring itself to uphold security and cooperation in Europe by throwing out Serbia.

This is a judgment that may yet be cruelly tested if Serbia pushes its violence into Kosovo or Macedonia, parts of Serbia and the old Yugoslavia, respectively, in which Albania, Greece, Bulgaria and Turkey have a keen interest.



Tailoring Yugoslavia

America Turns Its Back on a Bold Kurdish Gamble

By A. M. Rosenthal

NEW YORK — The chance was lying there for weeks — the opportunity for the United States to make a gesture in support of a people it had betrayed.

During the Gulf War, President George Bush mused aloud about wishing the Iraqi people would rid him of Saddam Hussein. The Kurds, trusting America, rose against the man who had murdered during all the years of his reign.

The Kurds say that Saddam's blockade means that they get only about 25 percent of the food and supplies available to other Iraqis.

Underclass Blues: No End to the Downward Squeeze

By Edward N. Luttwak

WASHINGTON — Early on, President George Bush blamed the welfare system for the Los Angeles riots and his logic was impeccable. Historically, populations that lost their traditional economic roles — peasants without lands, nomads without pastures, hunters without prey — were soon killed off by famine.

Underclass has been losing its few breadwinners. Thus, it is not the riots that are surprising but rather the semblance of tranquility in most places, most of the time.

celebrated globalization of the economy could have had quite different results if more and more capital had been invested to provide American workers with superior equipment and if public education and industrial training had been constantly upgraded to preserve their skill advantage.

For Vietnam, Hopes of Dragonhood

By Clare Hollingworth

HO CHI MINH CITY — Vietnam is rapidly improving its relations with the pro-American Association of South East Asian Nations and working hard in commerce and industry in hopes of becoming the fifth "Little Dragon."

There are, naturally, some snags to Vietnam's becoming the fifth Little Dragon. There are no taxis in the two big Vietnamese cities. Businessmen can, with luck, hire a car for the day; otherwise they must fall back on the cycle, a hard chair in front of a bicycle. Roads are bumpy, and like all the infrastructure in both North and South — especially power plants, and phone and mail services — urgently in need of renewal.

striking oil in new offshore fields. Cam Ranh Bay, the former Soviet naval and air base built by the Americans during the war, will be transformed into a major commercial port to serve the oil industry.

The Devils They Know, And Others

By Leslie H. Gorb

BERLIN — Bill Clinton will not be happy to hear what German political and business leaders say about him. Nor will George Bush be thrilled by their opinion of him.

As much as Germans fret about America, they worry far more about themselves. Germany has rarely managed internal turmoil as well as its Western neighbors, and it is going through a particularly difficult patch at the moment with labor strikes.

Because none of this has been done — as a result of deliberate political choices — growing numbers of less skilled Americans have been impoverished, their propensity to seek underclass jobs has increased and lifetime unemployment has become more common among the underclass.

Mr. Luttwak, of the Center for Strategic and International Studies, is writing a new book, "The Third Worldization of America." He contributed this comment to The New York Times.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Venezuela Uneasy NEW YORK — Popular excitement is steadily increasing in Caracas as news of General Crespo's victories arrives. A hundred citizens have been arrested by President Palacios's forces without warning, upon suspicion of having aided General Crespo, who also captured the city of Bolivar, on the Orinoco. Fresh revolts are reported in the Western States of Venezuela, while rebel gains in the Southern districts are rapidly increasing through desertion from President Palacios's forces. General Crespo obtained control of the Orinoco River, and Caracas is consequently bracing itself for further advances.

1917: Votes for Women LONDON — Mr. Walter Long, Colonial Secretary, introduced the Representation of the People Bill into the House of Commons this afternoon (May 16). The main principles of the bill comprise votes for women above

the age of thirty years. The government will leave to the discretion of Parliament the questions relative to votes for women and proportional representation. Such a bill marks the first time women are to get votes, along with sailors and soldiers.

1942: A Bold Attack NEW ORLEANS — [From our New York edition.] One of the boldest attacks yet made by Axis submarines along the United States and Gulf Coasts occurred today (May 15) when a German U-boat fired three torpedoes in rapid succession and destroyed a large cargo vessel near the mouth of the Mississippi River. Most of the crew never reached the water, and only seven bodies were recovered. The ship was the fifth attacked in the Gulf of Mexico in less than a week, and the fourth lost. Twenty-seven of the forty-one crew members were killed. The explosion was one of the worst marine tragedies in the history of the Gulf of Mexico.

Vertical text on the right edge of the page, including "UN Vote To Keep Trying" and "Council Perses In Bosnia".

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UN Votes To Keep Trying Council Perseveres On Bosnia Peace

By Paul Lewis
New York Times Service

UNITED NATIONS, New York — The Security Council adopted a resolution on Friday urging Secretary-General Boutros Boutros Ghali to continue peace efforts in the former Yugoslav republic of Bosnia-Herzegovina despite his refusal to send peacekeeping forces there earlier this week.

The resolution, adopted unanimously by the 15-member Council, also implicitly rejected the secretary-general's warning that the United Nations might be forced to withdraw from the region altogether. It did so by reaffirming support for the 14,000-strong force it has sent to keep the peace in Croatia and Slovenia as well as for the European Community's mediation efforts.

The resolution demanded an end to the fighting in Bosnia-Herzegovina and an end to all outside interference by the Serbian-dominated Yugoslav Army and Croatian forces. It said disbanded federal troops must be disarmed and their weapons placed under international control.

The resolution's restatement of the Security Council's intention to remain involved in the Balkan crisis contrasted markedly with the pessimistic report that Mr. Boutros Ghali issued Wednesday, in which he warned that the United Nations might be forced to withdraw from the area altogether.

Uneasy Calm in Sarajevo
The worst fighting so far in Sarajevo, the Bosnian capital, gave way on Friday to an uneasy calm, wire services reported.

People sat at street cafes sipping coffee in the city center, but they made sure their tables were in sheltered spots because of the danger of sporadic shelling.

UN officials announced that the warring Serbs, Muslims and Croats had agreed to a new cease-fire. If the truce holds, they will meet on Saturday for more political talks.

(AP, Reuters)



Traders on the floor of the Manila stock exchange watching on Friday as a postelection run-up slowed. The Composite Index still inched up by 1.02 points, to a record high of 1,338.37 for the year.

Ramos Leads in Philippines

Santiago, Claiming Fraud, Vows to Hold Mass Protests

By William Branigan
Washington Post Service

MANILA — Former Defense Secretary Fidel V. Ramos took a narrow lead Friday in the slow counting of votes in Monday's presidential election as his chief rival, Miriam D. Santiago, denounced "wholesale electoral fraud" and said she would lead mass demonstrations to avert the "attempted rape" of Philippine democracy.

General Ramos, 64, whose candidacy was endorsed by President Corason C. Aquino, edged ahead in the field of seven contenders, gaining 24.5 percent of the votes for president tabulated so far by Media Citizens Quick Count, a private organization accredited by the official Commission on Elections.

With 12 percent of precincts reporting, Mrs. Santiago, a former judge, immigration commissioner and agrarian reform secretary, dropped into second place with 23.4 percent after having led in early returns since Monday.

Eduardo Cojuangco, a wealthy entrepreneur closely associated with former President Ferdinand E. Marcos, followed with 16.3 percent.

Imelda R. Marcos, the widow of the late president, became the third candidate to concede defeat. But she asserted that she had been cheated.

Earlier, the speaker of the House of Representatives, Ramon Mitra, in fourth place with 12 percent, and Vice President Salvador H. Laurel, running last with 1.9 percent, acknowledged that they had been defeated. A former Senate president, Jovito Salonga, was in fifth place with 11.5 percent.

Mrs. Santiago, 46, an anti-corruption crusader, said at a press conference that she would "personally lead a series of mass demonstrations" to thwart what she called "a deliberate, well-orchestrated nationwide scenario to cheat the Filipino people of the rightful results of our elections."

She said the rallies would be held in "key cities" throughout the archipelago, starting Saturday in her hometown of Iloilo in the central Philippines.

Mrs. Santiago sharply condemned General Ramos for spreading what she called "the absolute lie" that her early lead was based largely on returns from her

strongholds in urban areas and a few other regions, and for saying that he would overtake her when the rural vote came in.

While scattered cases of electoral fraud and other anomalies have been reported from a number of areas, almost all have been linked to local politics, rather than the presidential race.

Mrs. Santiago said her charge of "wholesale" fraud aimed at denying her victory was based on "logic and reason," but she offered no evidence or specifics.

Both the government and the Ramos campaign headquarters harshly rebuked Mrs. Santiago, calling her charges "premature" and "incendiary."

Western Defense: A U.K. Counterattack

By Joseph Fitchett
International Herald Tribune

PARIS — Debate about the future shape of Western military defense and the role of NATO has taken a new twist with Britain's call for a stronger Western European Union.

The British proposal is intended as a challenge to plans by Germany and France to set up a "Eurocorps" of 35,000 troops that could grow into a European army, with only marginal involvement in the Western alliance.

In calling for all new European forces to be put under the control of the Western European Union, which groups nine European members of the North Atlantic Treaty Organization, Britain hopes to curtail the proposed new force in a broader framework.

Failing that, the British initiative will highlight the dangers of a new force emerging in competition with NATO — a risk that might make other allied governments hesitate to join the force.

"One-upmanship — nice but too late in the game," a NATO official said Friday about the British move. The United States and most other allies worry that the French-German unit, with its own command, will undermine cooperation within NATO and weaken overall Western military cohesion.

The French-German corps will be unveiled by Chancellor Helmut Kohl and President François Mitterrand next week.

Britain's last-minute bid by Malcolm Rifkind, who became defense secretary after the Conservative election victory last month, clearly rejected the standing invitation to other Europeans to join the French-German corps.

Instead, he said, that unit — along with the British-Dutch amphibious force and other new multilateral European forces — should be "double-batted," operating both under NATO orders and in a Western European Union framework.

For Britain, this approach marks a retreat from earlier insistence that

the Western European Union should be subordinated to NATO — in contrast to French wishes of seeing the union handle defense for the European Community.

The British view, with support from Washington, prevailed late last year at the NATO summit.

NEWS ANALYSIS

meeting in Rome and at the Maastricht summit meeting of EC leaders. Both sessions promoted the Western European Union as a loose focus for greater European cooperation within the alliance.

Now the French-German move has forced London to tilt more toward the idea of a defense role for the Community. London still opposes creating a standing force for the Western European Union that might compete with NATO's command structure.

But Mr. Rifkind said that Euro-

pean governments should give more military substance to the Western European Union so it could mount operations in situations where NATO was not involved. These might include peacekeeping in Eastern Europe or interventions in Third World nations.

He added that European forces in NATO's rapid-reaction corps might operate under Western European Union command in crises — perhaps requiring humanitarian assistance — where U.S. forces were not needed.

The British initiative is unlikely to alter policy in Paris or Bonn, where officials maintain that a French-German force will complement — and not undermine — both NATO and the Western European Union.

But officials in Paris also insist that French troops, even when operating with German forces, will

not move in any way closer to NATO's military system.

Officials also make no secret of the fact that Mr. Mitterrand still resents NATO's decision last year to set up the rapid-reaction corps. This unit, led and largely manned by British forces, was announced at a moment when Mr. Mitterrand was weighing wider French participation in the alliance.

Mr. Mitterrand has been able to muster German support for stronger French-German military cooperation, partly because objections to Britain's domination of the rapid-reaction force have grown in recent months in the German military establishment.

Although German forces cannot be sent into combat outside the NATO area, the increasingly professional army will still be the preponderant allied ground force in Europe and would like a military role worthy of its size.

THATCHER: Warning of a 'Moral Catastrophe'

(Continued from page 1)

Major Holds to Course
Craig R. Whitney of The New York Times reported from London: Mr. Major on Friday played down the withering blast by his predecessor against the growing power of Brussels and Bonn.

The prime minister, who will begin a six-month term in the EC presidency in July, did not respond directly to Mrs. Thatcher's speech.

But Mr. Major has been steadily marking off a course that diverges from Mrs. Thatcher's of Europe just as sharply as on such domestic policy issues as her "poll tax" for local government services, which Mr. Major scrapped soon after he succeeded her.

Having won a new five-year term in general elections last month, Mr. Major believes that Mrs. Thatcher has had her say, according to the prime minister's aides.

"The prime minister wants us to be at the heart of Europe," one aide at No. 10 Downing Street said. The

most powerful symbol of this was the government's decision to allow Queen Elizabeth II to address the European Parliament in Strasbourg, France, on Tuesday — a journey Mrs. Thatcher never allowed her to make.

But the queen's speech, approved as a policy document by Mr. Major's government, was far more conciliatory in tone than Mrs. Thatcher's remarks. "We are all trying to preserve the rich diversity of European countries because, if that diversity is suppressed, we shall weaken Europe, not strengthen it," she said.

The sovereignty of Parliament, Mr. Major told the House of Commons on Tuesday, was "not up for grabs" in Europe.

But, as The Economist magazine noted Friday, "In extreme circumstances the Commons, unlike the Queen, still has it. But real, usable, day-to-day, power has been ebbing away from the place for years."

CRISIS: Bosnia Drives Home Failure of World Order

(Continued from page 1)

Russian Republic? "In Yugoslavia, we have 12,000 dead people as martyrs for the next generation," said Daniel N. Nelson, professor of Russian studies at Georgetown University and former foreign policy adviser to Representative Richard A. Gephardt, Democrat of Missouri. "We can't afford more monuments and more martyrs all the way to Tajikistan."

In Congress, there is virtually no demand for action.

"No one really has any good ideas," a congressional aide said, explaining why hearings are not being held on Yugoslavia. "The administration has done everything the Senate suggested: warnings, sanctions, the recall of the ambassador."

"Many people and organizations hoped to get involved and settle things promptly," said Mark Kramer, a fellow at the Harvard University Russian Research Center. "What they found was all their best efforts were for naught. It is a classic case of conflict between ethnic groups whose main desire is to kill one another. It is not amenable to outside mediation."

"A military solution would have required substantial commitment and the willingness to endure casualties," said Mr. Kramer, who is also a research fellow at Brown University's Center for Foreign Policy Development. "People aren't willing to pay that price. Grim parallels are drawn by

Bush administration officials to the decision to send Marines into Lebanon in the early 1980s. In October 1983, 241 Americans died when their barracks was blown up by a car bomb.

In a speech in Washington on Wednesday, the UN secretary-general, Boutros Boutros Ghali, said that the United Nations could not operate in a place where there was no political will for peace.

"Peacekeeping must be based on the agreement of all parties," he said.

Officials, diplomats, and analysts say that, in retrospect, it should have been clear about a year ago that Yugoslavia was on the edge of crisis.

Since the death of Tito in 1980, long-suppressed ethnic tensions had begun to resurface. When in the late 1980s, the Soviet Union under Mikhail S. Gorbachev indicated that it would no longer interfere in Eastern Europe, the constraints on nationalism were largely lifted.

In June 1991, the republics of Slovenia and Croatia declared independence under non-Communist governments.

Jenonne Walker, a senior associate at the Carnegie Endowment for International Peace, said that "by July 2 last year, after the referenda in Slovenia and Croatia and the Serb tanks were leaving their barracks, it may have been too late to prevent the violence."

By the time, later in the year, that

the outside world was willing to do anything, "passions were aroused to the point where people weren't making rational calculations," she said.

Secretary of State James A. Baker 3d has been widely criticized for saying in Yugoslavia, last June, before Slovenia and Croatia declared independence, that the breakup of the Yugoslav nation would be a tragedy for all the republics.

Miss Walker said that his assessment was "absolutely right," but she added that it was a tactical mistake to cling too long after to hopes of salvaging the country.

Europe and the United States delayed recognition of the new republics for months, until prodded early this year by a German decision to do so.

The leader of Serbia, Slobodan Milosevic, took advantage of this hesitation to strengthen his political position by unleashing Serbian nationalism, said Kenneth M. Jensen of the U.S. Institute of Peace, a federally funded research organization.

Mr. Milosevic then negotiated disingenuously, Mr. Jensen said, including with Cyrus R. Vance, a special envoy of the UN secretary-general.

"When it became apparent there was not going to be a Balkan version of Desert Storm or for that matter some form of European armed intervention, then there was no reason to take Vance or any mediator seriously in Belgrade," Mr. Jensen said.

The tragedy of Yugoslavia revealed gaps in the repertoire of European security organizations, said Finland's prime minister, Esko Aho, who met on Wednesday with President George Bush and Secretary of Defense Dick Cheney. Finland is the home of the Conference on Security and Cooperation in Europe, which was designed to safeguard democratic principles and human rights.

"This experience of Yugoslavia will lead to a situation within the CSCE where conflict measures will have to be developed," the prime minister said in an interview. "The pressure to develop these measures will be urgent."

Britain and the United States have opposed moves to strengthen the conference. They have also shrunk from discussion of finding a role for NATO in future crises like that in Yugoslavia or Nagorno-Karabakh.

"Eastern Europe is a major historical challenge from which we are AWOL," said Miss Walker of the Carnegie Endowment.

Britons View the Royal Family As Overpaid and Out of Touch

LONDON — Britain's royal family is overpaid and out of touch, according to a survey here. Many Britons said they believed that the royal family's role should be reviewed by Parliament.

Newspapers on Friday said a Gallup Poll for the BBC showed that the popularity of the royal family, which has been damaged by broken marriages, had reached a record low. Most people believed that too many members of the royal family got state money and that even Queen Elizabeth II was paid too much, the poll showed.

Among those polled, 62 percent said the divorce of Princess Anne, the Queen's only daughter, and the separation of her second son, the Duke of York, from his wife, had been damaging.

Slightly more than half of the Britons polled — 51 percent — did not think the royal family provided a good example of family life.

AID: Tokyo to Help Eastern Europe

(Continued from page 1)

major industrialized nations to pressure the Soviet Union to return the "northern islands."

The islands were seized by the Soviets in the last days of World War II, and arguments over their ownership have prevented the signing of a formal peace treaty.

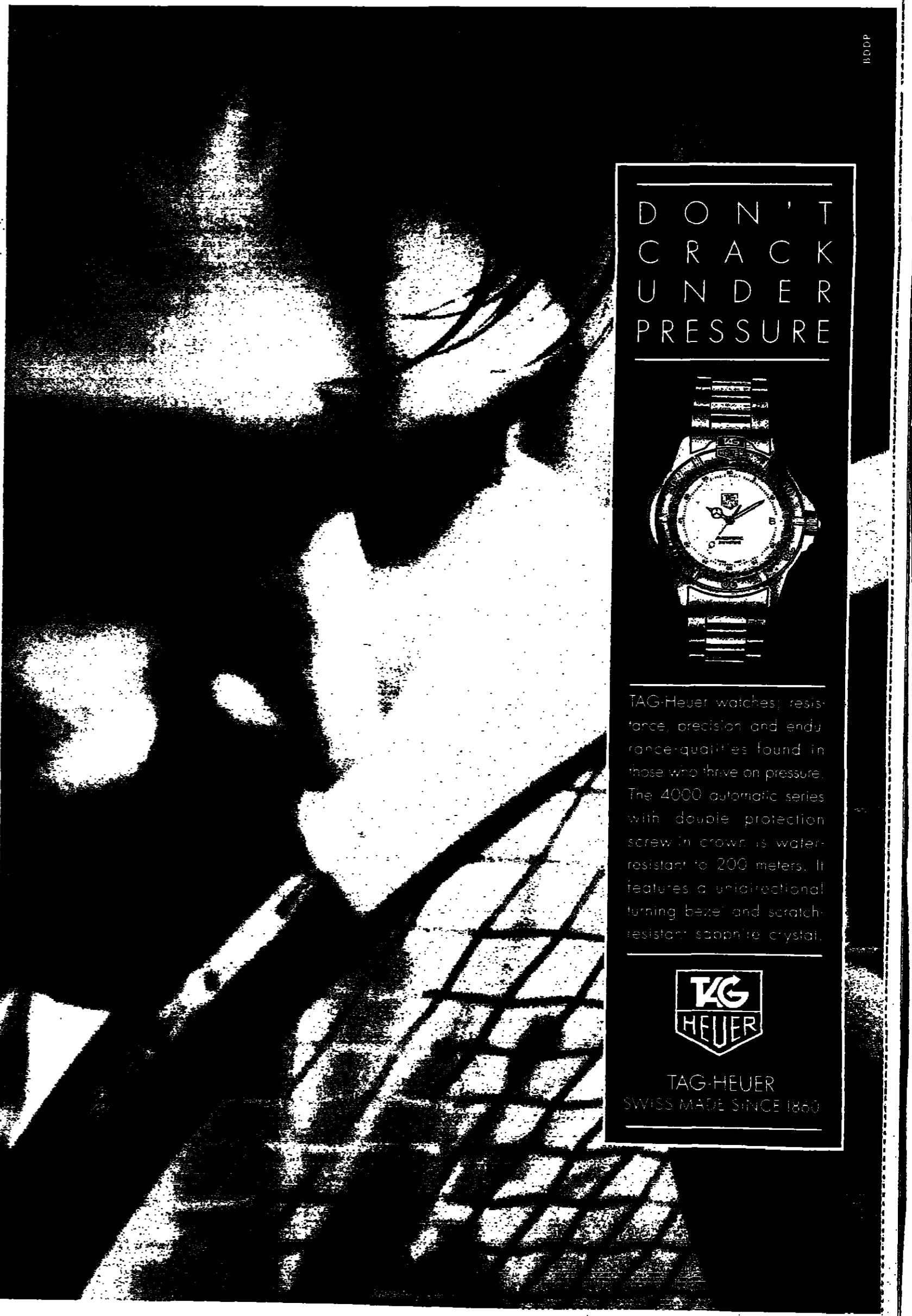
Mr. Quayle reiterated U.S. support for Japan's claims, but neither endorsed nor criticized Japan's tactic of withholding bilateral aid, saying it was "an internal Japanese decision."

"I certainly detected a lack of enthusiasm to give assistance to Russia until the northern islands issue is resolved," Mr. Quayle said. But he said that Boris N. Yeltsin, the Russian president, "appears

Germany Frees Terrorist

Reuter

KARLSRUHE, Germany — A court here ordered the release Friday of a Red Army Faction guerrilla who served 15 years of a life sentence, the federal prosecutor's office said. Ginter Sonnenberg, convicted of attempted murder for shooting two police officers in 1977, will be released on five-year probation.



DON'T CRACK UNDER PRESSURE

TAG Heuer watches resist force, precision and endurance qualities found in those who thrive on pressure. The 4000 automatic series with double protection screw-in crown is water-resistant to 200 meters. It features a unidirectional turning bezel and scratch-resistant sapphire crystal.

TAG HEUER
SWISS MADE SINCE 1860

ملكا ان الوطن

CANNES '92

Emma Thompson: Forster Lives

By Joan Dupont

CANNES — She is winsome Margaret Schlegel of James Ivory's "Howards End..." a woman with a mind of her own, trussed in Edwardian finery; she is tomboyish Emma Thompson, doing some of her stand-up comedian routine, a breath of fresh air at this festival.

"Howards End," adapted from E.M. Forster's novel, is her first solo flight since her marriage to the actor-director Kenneth Branagh. A popular theatrical team, they are treated practically like royalty these days, which amuses Thompson.

ACTUALLY marriage is very much her subject. Get her alone, or as alone as one can be in Cannes, and she revolves around those themes — the solitude of the modern independent woman, the need to merge worlds that was behind Margaret Schlegel's impulse to marry the conventional Mr. Wilcox.

begged. "I've never done that; I try not to want things too badly. Margaret represents all those extraordinarily intelligent thinking women who were thinking and articulating at a time when it was not considered a female thing to do."

Thompson, raised by actor parents, started out as a monologist. "It's the hardest thing to do because if people don't laugh, if they don't like you, there's nobody else to blame."

Like Forster — and several of the men who made up Mervyn LeRoy — Thompson was graduated from Cambridge where she read English literature, and wrote, produced and acted in the university's first all-woman revue.



Emma Thompson, left, and Vanessa Redgrave in James Ivory's "Howards End."

Somber Films by New Directors

CANNES — On the eve of the Cannes film festival awards, everybody has an eye out trying to pick the winner. The jury's tendency in recent years has been to shun the grand opus in favor of lighter fare by young directors like "Cinema Paradiso."

from the hip, but he gives them a lot of leeway and they love, dance and talk, a lot. "Simple Men" is deceptively simple. It's really a delicate tissue woven out of the dangerous confrontations that get into, and soon, men and women get into.

thias (Emmanuel Salinger), an intern in forensic medicine, arrives in Paris from Germany, where he was raised. Somebody has slipped a mummified head in his valise, and it's no joke.

Large advertisement for Philip Morris Superlights cigarettes. Features the text 'PHILIP MORRIS SUPERLIGHTS' and 'THE UNIVERSAL TASTE OF LIGHTNESS.' Includes an image of a pack of cigarettes and a lit cigarette.

Strong Swedish Contender Bille August's 'Best Intentions' Has a Bergman Script

By Thomas Quinn Curtiss International Herald Tribune

CANNES — The content, the firm direction and the ensemble acting of Bille August's "The Best Intentions" make it a strong contender in the festival's official competition.



Sidney Lumet: Cops, robbers and ritual.

They wed, and the ordained husband is appointed to a remote parish where the newlyweds are at odds with the conservative town authorities. The pastor sides with the workers in a strike and is reprimanded by a factory owner. The marriage does not run smoothly, but it survives. A good deed comes near to costing them their baby son when he is nearly killed by a retarded child they are sheltering.

transferred to a desert town of Africa where the sun shines bright. It is a peculiar experiment that shrivels the impact of the original work.

AUCTION SALES

Advertisement for Sotheby's auction of 'The Love Trophy Egg' and other Fabergé works. Includes details about the date and location of the auction.

Advertisement for Old Master Paintings by Edmund Peel & Asociados. Features an image of a painting and details about the auction.

A series of auction sales in Paris, including 'DROUOT RICHELIEU' and 'DROUOT MONTAIGNE' with dates and locations.

Advertisement for 'ART EXHIBITIONS' and 'HARRY FANE' with contact information for various galleries and antique shops.

Handwritten text at the bottom of the page: 'مكتبة الأمل'

FRANCE

Art de Vivre



In France, a cup of coffee is never served in a plastic cup, and fresh fruits, vegetables and bread are still the norm. Buy a simple cake in a French *boulangerie* and the shop assistant will wrap it in fancy paper like a precious gift, complete with shiny ribbons. And

she will always say *bonjour, merci and au revoir*. In spite of creeping Americanization and the pressures of modern life, the French still allow themselves to indulge in good food and drink, to appreciate the arts, to wear beautiful clothes and to do whatever pleases them.

There is no Anglo-Saxon-style guilt about wasting time or enjoying life too much when there is work to be done. There is no such thing as a half-hour lunch, and no one grabs a sandwich at his desk. Long vacations are considered the divine right of all, and pleasure-filled weekends are sacred.

Therein lies the charm of the country: harried foreigners can partake in this sybaritic life-style at least temporarily. Of course, that means finding a hotel of suitable character located in an agreeable place.

Whether *haut luxe*, old-world charm, high-tech convenience, designer chic or just simple comforts, French hotels offer endless variety. Most have the basics that everyone requires: a warm welcome, a comfortable and clean room, good service. It is those extra touches that make a stay special, whether its purpose is business or pleasure.

Advance planning is vital to finding the perfect hotel, especially in Paris. With all its conventions, fashion shows and tourists, finding a hotel in Paris can be a nightmare. Here are a few suggestions.

The Hôtels l'Horset group has four locations in

Paris, but this is not a hotel chain with standardized decor: each one of these luxurious hotels retains its individual charm.

The Hôtel l'Horset Astor Madeleine has a 19th-century interior and handsome wainscoting that conform to the group's slogan: "Charm and tradition in the heart of town."

Horset's Opéra location, near Paris's major department stores, has its own understated elegance. The nearby Pavillon has authentic Belle Epoque interiors complete with stained glass, frescoes and wood paneling. The Saint-Cloud is located in Paris's posh 16th *arrondissement*, home of the city's elite. Two smaller hotels, Saint Augustin and the Washington, have just opened in Paris.

The Horset group also owns hotels in Blois, home of François I's magnificent castle, and in Cannes.

Paris Quartet is a group of four owner-managed Paris hotels, each with a courtyard garden and located on a quiet side street.

The Union Hôtel Etoile, in a residential neighborhood near the Arc de Triomphe, has 13 two- or three-room apartments with kitchenettes in addition to its 30 rooms, making it ideal for a family

vacation or a long stay in Paris.

The modern Hôtel de Noailles, near the opera house, is spacious, quiet, bright, colorful and elegant, with a Japanese-style garden.

On the Left Bank, near the Luxembourg Gardens, the Hôtel de l'Abbaye Saint-Germain, with its refined decor, 19th-century furnishings, beds of copper or bamboo and marble-lined bathrooms, also has six duplex suites with private terraces.

In the Latin Quarter, the tastefully contemporary Select Hôtel's interior garden is crowned with a pyramid-shaped skylight and watered by a trickling fountain.

At the Hôtel Victor Hugo, located between the Eiffel Tower and the Arc de Triomphe, one can breakfast in the "winter garden" year-round. Marble bathrooms add that extra touch of luxury to this tranquil hotel.

L'Hôtel Pergolèse bills itself as "your house in Paris." Of course, not many of us have houses with decor and furnishings signed by star designers Rena Dumas, Philippe Starck and Hilton McCannico, but one can pretend while staying there.

Great attention has been paid to every detail in this 40-room hotel, from bathroom fixtures to warm color combinations and lighting, with a result that is clean and modern without being cold.

Located between Porte Maillot and the Place de l'Etoile, the hotel has air-conditioned and soundproofed rooms facing ei-

ther a side street or the courtyard.

Although the Restoration-style Hôtel de l'Elysée promises "quiet luxury in the business center" of Paris, it is also located conveniently near designer-clothing shops on the Rue du Faubourg-Saint-Honoré and the city's best cinemas on the Champs-Élysées. The 32 rooms are sumptuously decorated with floral wallpaper and hangings.

The charming Hôtel Albert Ier, conveniently located between two central train stations, the Gare du Nord and the Gare de l'Est, is within walking distance of Montmartre and the Sacré Coeur.

Those with artistic bent will appreciate L'Hôtel Bersoly's Saint-Germain, centrally located near the Musée d'Orsay and the antiquities quarter in the seventh *arrondissement*. Each of its 16 rooms is dedicated to an artist, including Marc Chagall, Henri Rousseau and Pablo Picasso.

The room dedicated to the latter, with its interior mini-garden, comes highly recommended. This redecorated 17th-century house exudes taste, charm and serenity, and the house "black-and-white" dogs add a friendly touch.

Art Deco elegance characterizes the Raspail Hôtel, built in the 1920s and once frequented by young American artists who turned the back room into a rowdy poker salon. The 38 rooms and two suites in this tastefully restored hotel are soundproofed and air-conditioned.

Nip out for oysters at the Bar à Huîtres next

door, or for a cocktail across the street at Le Dôme, once a hangout of Modigliani, Stravinsky, Picasso and the ubiquitous Hemingway. Owner Pierre Branche says he "knows and loves each guest like a member of the family."

The Hôtel Acacias Saint Germain offers a romantic summer garden, 41 recently renovated rooms and a wide range of services usually only offered by larger hotels: 24-hour baby-sitting, mini-bus excursions, restaurant and entertainment bookings, airport transportation and the whole spectrum of business services, including fax, telex, a conference room and secretarial and translation services.

Still in the Saint-Germain area, the Odéon Hôtel is right next to the Théâtre de l'Odéon and the Luxembourg Gardens on the historic Rue de l'Odéon, once the home of Sylvia Beach's legendary bookstore, Shakespeare & Co.

This small (34 rooms), friendly *hôtel de charme* has a beamed lobby and wonderful four-poster beds in some of the rooms, all of which are individually decorated.

A restored 19th-century *hôtel particulier* is the home of the Hôtel Fernand. Each room is decorated differently and some have four-poster beds, but none lacks in the kind of luxury that makes a guest feel pampered and privileged. Art galleries, rare book and antique dealers abound in the neighborhood.

Les Relais du Silence specializes in just that: silence. It is an association of 250 independent hotels in Europe and Canada that have in common a commitment to providing a calm, quiet, friendly environment for guests to whom rest and relaxation are all-important.

That includes special attention to comfortable bedding and a quiet location in the countryside or a small village. To obtain their catalog, contact them at 2 passage du Guésclin,

75015 Paris; tel: (33-1) 45.66.77.77.

Three Relais du Silence hotels are located in Paris. The Hôtel des Tuileries, an 18th-century mansion on a quiet side street in the heart of Paris near the Place Vendôme and the Tuileries Gardens, fits right into its historic setting with its elegant furnishings.

The Hôtel Eber benefits from its proximity to the Parc Monceau, one of the city's most beautiful parks, and from the good taste that has gone into its decoration in a mixture of complementary styles.

The Hôtel Etoile Péreire, an island of calm near the busy Etoile intersection, promises a selection of 24 exquisite rooms for breakfast.

When it is time to get out of the city, France offers a plethora of glorious country hotels and inns, many of them in châteaux.

For a taste of an area where few foreigners penetrate, the Auberge des Chasseurs, located at the foot of the Jura mountains, is a country house decorated with simple, woody elegance.

Add a beautiful garden, a view of the Alps, a swimming pool, a fine restaurant, seminar rooms and nearby golf course and horseback riding, and the picture is complete.

Moulin Etape is a group of 49 hotels in France, Belgium and Luxembourg dedicated to the precept of peace and quiet for its visitors. Every one of Moulin Etape's hotels is located in a renovated mill.

In France, Moulin Etape has 40 hotels, ranging from one to four stars, and six restaurants, each with its own particular charms and all with the soothing presence of nearby running water, always a palliative for frazzled nerves.

Another peaceful haven is the beautiful Logis Saint-Martin, situated halfway between Paris and Bordeaux beside the Poitevin marshes, ideal for quiet walks or bicycle rides. Charming interiors, fine cuisine and a lovely garden complete the scenario for a relaxing vacation.

Enjoy a marvelous view of the Provençal landscape and a medieval village from the gardens and terraces of the 16th-century

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. It was written by Heidi Ellison, a Paris-based writer and editor.

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Cable Abotel
Fax: (1) 45 48 07 86

An 18th century townhouse between courtyard and garden offering a refined mixture of tradition and modern comfort in the heart of the fashionable left bank quarter. 44 rooms, 4 of which are suites with private terraces.



HÔTEL DE NOAILLES
9, rue de la Michodière,
75002 Paris
Tel: (1) 47 42 92 90,
Tlx: 240644F
Fax: (1) 49 24 92 74

The serenity of the Japanese garden and decoration make for an oasis of peace in central Paris, very near the Opera. 58 large, well-furnished, meeting rooms for 20. The unmistakable quality of simplicity and purity.



SELECT HOTEL
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Fax: (1) 46 34 51 79

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UNION HOTEL ETOILE
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75116 Paris
Tel: (1) 45 53 14 95,
Tlx: 611394F
Fax: (1) 47 55 94 79

42 large, pretty rooms and residential apartments overlooking a private garden on a street, calm street near Etoile. The perfect spot for business, entertainment and shopping. Private bar. Excellent service.

HOTEL BERSOLY'S SAINT GERMAIN

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Tel: (33) 1 42 82 73 79 Fax: (33) 1 42 27 85 55
Close to Musée d'Orsay and the Louvre, a charming 17th cent. townhouse, beamed ceilings, vaulted cellar, bar/breakfast room, 16 well-equipped comfortable rooms with full bath, hair dryer, direct dial phone, cable T.V. Individual safe deposit box. Price 550 - 650 FF.

Odéon Hôtel
3, rue de l'Odéon,
Paris.
Stepping out of your hotel, on the left there's the Théâtre de l'Odéon, the Luxembourg Gardens and, just behind, Montparnasse and its cafe. On the right, there's Saint-Germain-des-Près, the river Seine, the new Orsay Museum, the Louvre and a few steps further, Boulevard... The Odéon Hôtel, 34 charming rooms in the heart of Paris.
Tel: (1) 43 25 90 67. Telex: Odéotel 202 943 F. Fax: (1) 43 25 55 98.

HOTEL FERRANDI

A 19th cent. townhouse in the peaceful part of St. Germain des Prés. Refined, comfortable rooms. A hotel & friends welcome.
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75017 PARIS
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Fax: (1) 47 63 01 01
Tlx: 649 949 F

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ENTIRELY RENOVATED
WIND-PROOF
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HOTEL ETOILEPÉREIRE

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Near Etoile and Champs-Élysées
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Fax: (1) 42 67 02 90

HOTEL ACACIAS SAINT GERMAIN
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Tel: (1) 41 71 87 80 • Fax: (1) 42 66 55 54
Telex: 282 676
PAVILLON
38, rue de l'Étoile - 75010 Paris
Tel: (1) 42 46 92 75 • Fax: (1) 42 47 03 97
Telex: 253 925
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Tel: 54 74 19 00 • Fax: 54 74 67 97
Telex: 732 728
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Telex: 461 873

L'HOTEL PERGOLESE

Light, color, harmony... That's what comfort is about.
The warmth of parquet-wood, armchair-leather, & rug-wool enhanced by the purity of modern design in a setting of 4-star hotel, just a few blocks from the Arc de Triomphe.
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Telex: 651 618

VICTOR HUGO
19 rue Copernic, 75116 PARIS
Tel: (1) 45.58.76.91
Fax: (1) 45.43.65.79



HEIDI ELLISON

Paris, tel.: (33-1) 45 40 00 00

Three Relais du Silence hotels are located in Paris. The Hotel des Tuileries, an 18th-century mansion on a quiet side street in the heart of Paris near the Place Vendôme and the Tuileries Gardens, fits right into its historic setting with its elegant furnishings.

The Hotel Eber brings its proximity to the Bois de Boulogne, one of the city's most beautiful parks, and from the good taste that has gone into its decor, to a mixture of contemporary styles.

The Hotel Etoile Perle, an island of calm near the busy Etoile intersection, promises a selection of exquisite jams for breakfast.

When it is time to get out of the city, France offers a plethora of glorious châteaux, hotels and inns, many of them in châteaux.

At the heart of an area where foreigners pass through, the Auberge des Chasseurs, located at the foot of the Jura mountains, is a country house decorated with simple wood elegance.

At a beautiful garden in the Alps, a swimming pool, a fine restaurant, seminar rooms and a tennis court, and the pool are complete.

Moulin Etape is a group of hotels in France, Belgium and Luxembourg. Each hotel is the product of a concept of quality and quiet for its visitors. One of Moulin Etape hotels is located in a quiet mill.

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This advertising section was produced in its entirety by the supplement division of the International Herald Tribune's advertising Department. It was written by Heidi Ellison, a Paris-based writer and editor.

Between the Eiffel Tower and the Louvre, the VICTOR HUGO HOTEL... Tel: 45 52 76 01 Fax: 45 52 76 02

ADVERTISING SECTION

ADVERTISING SECTION

Why are foreigners so charmed by France? First, because of Paris's harmonious architectural beauty and stunning monuments. Second, because the same sense of harmony extends to the smallest details of life.



VERONIQUE THIBAUD



CHATEAU DE CHAILLY



CHATEAU DE CHAILLY

Hostellerie Le Beffroi, with its privileged hilltop location, individually decorated rooms and antique furnishings.

Don't be surprised if the **Château de Remaisnil** brings to mind Laura Ashley — she used to live there. This impressive chateau was restored and decorated by the famous flower-loving designer and is furnished with museum-quality antiques. A charming, outbuilding houses a conference center.

Located near Carcassonne on the old Roman road to Narbonne, the elegant, ivy-covered **Château de Violet** offers all the charms of a stay in a private country house.

The 13 comfortable rooms and suites overlook parks and terraces, and the kitchen prepares regional cuisine with a difference. The welcome here is always friendly and personalized.

La Vie de Château, an association of 140 private, owner-occupied residences in nine countries, promises a warm and personal welcome to all guests, who are assured that they will experience authentic chateau life.

In France, the graceful **Château du Marais** near Nevers, built on 12th-century ruins, has a 14th-century dungeon, a 16th-century tower and its original moat.

The newly renovated **Château de la Bourdaisière** near Tours is an ideal base from which to explore the other magnificent châteaux of the Loire Valley.

The **Château des Briottières**, located near Angers, has been in the same family for six generations and has served as a film set.

The 17th-century **Château de la Commanderie** in the heart of the Gers Sand country near Bourges, has never changed owners and is renowned for its fine cuisine.

The fairy-tale **Château de la Verrerie**, built by the Stuarts of Scotland, sits alongside a private lake near Sancerre.

The **Manoir du Quesnay** near Bayeux is an impressive fortified farmhouse that has been completely restored.

With its formal French gardens and wooded park, the **Château de Blauville**, located outside of Chartres, is fit for kings but also provides conference rooms for business meetings.

French kings were actual guests at the **Château d'Éloges**, a handsome castle in Champagne.

Stonehenge has nothing on the **Château de Thoiry**, located not far from Versailles, which was designed to capture the rays of the sun to mark the summer and winter solstices.

More heavenly forces are perhaps at work at **Château de Camon**, a beautifully preserved monastery set in a sweeping landscape in the Pyrenees near Carcassonne.

The **Châteaux Hôtels Indépendants** and **Hostelleries d'Atmosphères** group has 438 hotels, including 228 chateau hotels, located all over France, making it the country's biggest hotel group. Atmosphere, character and variety are the criteria for the hotels' selection.

To receive a copy of their detailed guide to the hotels, complete with maps and information on

cultural events and tourism in each area, contact CHI, 15 rue Malebranché, 75005 Paris; tel.: (33-1) 43.54.79.99. A color photograph of each hotel illustrates this wish book.

The guide contains such treasures as the **Château de Rochechouart** in the Loire Valley, the former home of Talleyrand; the **Château de Kéravon**, set in a six-acre park in Brittany, with its moat, ruined drawbridge, watchtowers and Renaissance walls and dungeons; the fantastic **Château de Ermenonville** near Paris, where Jean-Jacques Rousseau spent his last days; or the more intimate **Manoir de Brignac** in the Périgord, a venerable manor house in a bucolic setting.

The **Château de Chailly** in Burgundy, a medieval fortress during the reign of Charles the Bold, was later renovated in the Italian Renaissance style and is now classified as a national monument.

The hotel retains all the charms of its past — including vaulted ceilings and exposed beams — in 40 rooms and five suites decorated in traditional style with modern touches. Leisure facilities include a heated swimming pool, 18-hole golf course, tennis court and banquet rooms.

This luxury hotel also caters to businesspeople with in-room fax machines, seminar rooms, simultaneous translating and videoconferencing equipment. Fine Burgundian cuisine can be enjoyed in the Armançon restaurant.

The **Château des Alpilles** is an early 19th-century residence set in a park of 100-year-old trees. Owner François Bon and his daughter Catherine promise the atmosphere of "A Sunday in the Country."

Located near Saint-Rémy-de-Provence, a town at the foot of the Alpilles and just next to the abandoned hilltop vil-

lage of Baux and the ruins of the Roman town of Glanum, the hotel retains its 19th-century charm with antique furnishings while providing contemporary pleasures like a swimming pool, tennis courts and sauna.

France has its own island paradise that deserves to be better known: Corsica, the location of **Le Maquis**, a luxury hotel in a gorgeous seaside setting surrounded by flowering gardens.

Indoor and outdoor swimming pools with Jacuzzi complement the clear waters of the Mediterranean. Spacious, elegantly furnished rooms overlook the sea, and business services and seminar

facilities are available. There are also tennis courts and a solarium.

Napoleon himself, who was born in nearby Ajaccio, would have been happy here.

Although Monaco is an independent principality, it is really France with a twist. This tax haven brims with visible signs of wealth: furs, limos and winter tans are everywhere.

Where else to stay in Monte Carlo but at a palace? **Le Métropole Palace**, a few steps from the Casino, offers Belle Epoque interiors, excellent service and every conceivable amenity.

Owner Nabil Boustany says, "I spent eight years

creating a palace for those tired of hotels. My dream was to bring back the glamour of the Belle Epoque era while offering the advantages of a modern

luxury hotel." By all accounts he has succeeded with this sumptuous addition to a city filled with luxury hotels.

Heidi Ellison

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CHATEAU DE VIOLET 11180 Puyricard - Minervois (25 km from Carcassonne) HOTEL - RESTAURANT - VINEYARD Tel: 68.78.10.42 Fax: 68.78.30.01 Telex: 505 077

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CHATEAU DU LANDEL HOTEL** - RESTAURANT 18 rooms: 380 F to 650 F - Menu from 190 F

CHATEAU DE PRAY HOTEL****-RESTAURANT 19 rooms: 350 F to 650 F - Menu: 195 F - Carte

MANOIR LA ROSERAIE HOTEL - RESTAURANT 14 rooms, 1 suite 600 F to 1400 F - Menu 180 F - 220 F

To obtain the 1992 Guide, write to: "Châteaux Hôtels Indépendants" 15 rue Malebranché 75005 PARIS France.

ECONOMIC SCENE

A Split Grows in Tokyo Over Priming the Pump

By Steven Brill International Herald Tribune TOKYO — While Tokyo's official stance at this coming week's meetings of the OECD in Paris will be aimed at deflecting mounting pressure to spur its economy, Japanese delegates will offer private reassurances that the nation is ready to help fuel world growth by further priming its own economy...

Most economists think Japan won't meet its goal of 3.5 percent growth.

"The current economic situation continues," he said, "I see we will have statistics and indicators which may not be enough for Japan to achieve its growth target. He added that "if we have such figures" then the Group of Seven will "expect us to take measures" at a summit meeting in Munich in July.

AT THE END OF March, the government unveiled a set of stimulative measures, including heavy front-loading of public works spending for this fiscal year, and in April the Bank of Japan sharply reduced the official discount rate.

Last Monday, the governor of the Bank of Japan, Yasuhiro Miso, said the economy was at its low ebb. He pointed to signs of a turnaround, including improved housing investment and strong capital investment by small- and medium-sized service companies.

Jesper Koll, an economist at S. G. Warburg Securities, said the upbeat comments were partly an attempt to talk up the yen and fend off foreign criticism. But he noted that fixed income markets, notably the benchmark Japan government bond, has likewise been reflecting optimism of a turnaround this autumn.

Olympia & York Sends Tremors Around the World Gloom in Canada, But Is Worst Over?

By Clyde H. Farnsworth New York Times Service TORONTO — Canadians used to break down the wealthy into three categories: the rich, the superrich and the Reichmanns. The Reichmann family business, Olympia & York Developments, is the world's largest real estate developer. But in March it ran out of cash and Thursday filed for bankruptcy protection, and fear is rippling through many corners of the Canadian economy.

The country's commercial real estate market is paralyzed, the Toronto stock market has fallen and many companies are finding it hard to borrow cash. Some hospitals, schools and cultural institutions that the Reichmanns have showered with millions are wondering whether the largesse is now at an end.

The uncertainty over Olympia's fate "adds to the economic malaise and sense of gloom," said Tom Hutchinson, chief Canadian economist for M&M International, a financial information service in Toronto.

John Ing, president of Maison Placements Canada Inc., a local investment house, warns of "ripple effects" if Olympia's buildings, some of the most expensive real estate in North America, are seized by banks and bondholders and then sold into an already depressed market.

At the Toronto Stock Exchange, the "Reichmann factor" is also blamed for the depressed state of prices, which are nearly 20 percent below the record highs of August 1987, even as the New York Stock Exchange has been reaching highs. The exchange's 300-stock index, which fell 15.9 points on Thursday, rose 3.12 points on Friday to 3,391.43, for a gain of about 17 points on the week.

Banks have been particularly hard hit, with investors in bank stocks worried about loans to Olympia. Indeed, before the market's recovery this week, fears of bank losses had wiped 7 billion Canadian dollars from the value of the banks' stock. That is more than twice the generally accepted estimate of their total loans to Olympia.

See CANADA, Page 13

Victims of Olympia & York's Debt

Table with 2 columns: The biggest lenders (millions of U.S. dollars), and a list of lenders including Canadian Imperial Bank of Commerce, Royal Bank of Scotland, Hongkong & Shanghai Banking Corp, Citicorp, Commerzbank, Crédit Lyonnais, Bank of Montreal, Bank of Nova Scotia, Dai-ichi Kangyo, Chemical Bank, Barclays PLC.

Covered by the Canadian filing

Table with 2 columns: Real Estate (First Canadian Place complex, Scotia Plaza, Gulf Canada Square), Corporate Investment (Gulf Canada Resources, Abitibi-Price, GW Utilities, Trizec Corp, Trilon Financial Corp), Finance Companies (Olympia & York Realty Credit Corp, Olympia & York Credit Holdings, O & Y Credit (CPI) Corp).

Web of Assets and Debt Complicates the Math

LONDON — Analysts face a daunting task as they struggle to understand the complex web of assets and debts that comprise the empire of Olympia & York Developments Ltd.

The company, now seeking protection from its creditors, has always played its cards close to its corporate chest, experts say. Yet in recent weeks, O&Y has had to tip its hand to the bankers with whom it has been trying to restructure about \$12 billion of debt.

Two aspects of O&Y make it especially difficult to come to a realistic view of whether the company's assets exceed its debts, analysts say. First, it is a private company and so does not have to make information public to its shareholders.

Analysis agree that figure must have dwindled in the intervening 16 months. In that period, property values in Britain and North America, where O&Y operates, have tumbled as recession wiped out real estate values.

New Debt Worries Rattle Tokyo Stocks

TOKYO — The bankruptcy filing of Olympia & York Developments Ltd. sent the Tokyo stock market reeling on Friday by reawakening fears about the health of Japanese banks and the broader economy as well as the functioning of the equity market itself.

In a selloff that punctured the market's recent confidence, investors dumped shares across the board and drove the key Nikkei index down 730.38 points, or 3.88 percent, to 18,074.27.

Many brokers blamed the decline on the potential impact, both at home and abroad, of the insolvency of Olympia & York. But analysts said the reaction was overblown given the relatively low exposure of Japanese banks, which analysts estimate between \$1.5 and \$3.0 billion.

The sum pales in comparison with the domestic bad debt held by major Japanese banks, estimated to total as much as 30 trillion yen, or about \$154 billion.

Analysis named Dai-ichi Kangyo Bank Ltd., Sumitomo Bank Ltd., Sanwa Bank Ltd. and Tokai Bank Ltd. as among the most heavily exposed to Olympia & York. Dai-ichi Kangyo's exposure, considered the largest, is seen between \$250 and \$500 million.

O&Y Bonds Hit in Europe

LONDON — Trading evaporated Friday in Eurobonds of Olympia & York Developments Ltd. here after the property developer sought protection from its creditors in the United States and Canada, traders said.

"We've got a good old-fashioned liquidity crisis," said a bond trader at ScotiaMcLeod Inc. "Any trades in O&Y would be done on an order-only basis, because no one would take this paper on their books unless they had a buyer on the other side."

CURRENCY RATES

Table with 2 columns: Cross Rates and Other Dollar Values. Lists exchange rates for various currencies like Australian dollar, British pound, Canadian dollar, etc.

Table with 2 columns: Forward Rates and Key Money Rates. Lists forward rates for various currencies and key money rates for US, UK, and other markets.

INTEREST RATES

Table with 2 columns: Eurocurrency Deposits and Key Money Rates. Lists interest rates for various currencies and money market rates.

Key Money Rates

Table with 2 columns: Key Money Rates and Asian Dollar Deposits. Lists key money rates and Asian dollar deposit rates for various currencies.

Thomson Tries to Reassure on LTV Deal

By William Drozdiak Washington Post Service PARIS — Seeking to defuse charges that foreign ownership of a major American defense contractor posed a risk to national security, France's Thomson-CSF has offered fresh guarantees to the U.S. government that its purchase of LTV Corp.'s missile division will not lead to American defense secrets leaking abroad.

Thomson executives, alarmed by a bill introduced in the Senate to halt the sale of LTV to any foreigner, said the state-owned French defense giant is now prepared to resign its presence on the board to one "outside director" and will allow only Americans with proper security clearance to review classified contracts.

"We have always respected American laws in these matters and we would continue to do so under this special security agreement," said Jean-Paul Perrier, the head of Thomson's missile division, in an interview. "We are not trying to steal secrets; we want this sale to go through because we need LTV's missile-building capability to become a player in the United States, which represents half of the world market in defense."

The French government, which owns 58 percent of Thomson-CSF, has urged the U.S. government not to veto the LTV purchase. Foreign minister Roland Dumas visited Washington last Monday and met with President George Bush, Secretary of State James A. Baker 3rd and Defense Secretary Dick Cheney. Ministry officials said the Thomson-LTV sale was a key point on Mr. Dumas' agenda.

Paris to Cut Total Stake

PARIS — The Finance Ministry announced Friday that the government, stepping up the pace of privatizations, would cut its stake in Total Compagnie Française des Pétroles, the oil company, to 15 percent from 34 percent.

The planned sale follows a cut this past week in the state's share in Pechiney SA, the packaging company, and the sale in March of 23 percent of Total's rival, Société Nationale Elf Aquitaine.

The ministry said that the government, which controls 51.5 percent of Elf, no longer believes it needs to keep a controlling interest in Total. Selling 19 percent of Total would fetch 10 billion francs (\$1.8 billion), most of the extra 12 billion francs the government expects to spend this year to fight unemployment.

Thomson's American rivals in the bid for LTV — Martin Marietta Corp. and Lockheed Corp. — have mounted an intense lobbying campaign on Capitol Hill to persuade the government to overturn the sale.

GOLD section with table listing gold prices for various currencies and locations like London, Zurich, etc.

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MARKET DIARY

O&Y Filing Keeps Pressure on Stocks

NEW YORK — Stocks declined Friday on a combination of concern about the bankruptcy filing of Olympia & York Developments Ltd. and some late computer-driven sell orders.

O&Y's filing triggered concern about the banking industry. Several money center banks, including Citicorp and Chemical Bank,

lition shares trading hands, after 189 million Thursday. Peter Canolo, investment strategist at County NatWest Securities, said, "Everybody knew the O&Y filing was coming, but it still had a negative effect on the stock market, and especially bank stocks."

Citicorp declined 1/4 to 19%. Chemical Bank fell 1/4 to 37 1/2. J.P. Morgan slid 1/4 to 55. Bankers Trust dropped 1/4 to 58 1/2 and Bank of New York declined 1/4 to 41 1/2.

International oil and retail store stocks also slumped as concerns about earnings hampered both groups. The concerns emerged when Exxon Corp. announced that it would eliminate more than 1,000 jobs in the United States. Exxon fell 1/4 to 59 1/2. Chevron declined 1/4 to 66 1/2 and Mobil fell 1/4 to 61 1/2.

In the retail industry, Gap Inc., Nike and Tiffany & Co. were among the companies to report disappointing earnings this week. Gap Inc. slid 3/4 to 34 on top of Thursday's plunge after the retailer reported disappointing first-quarter earnings that prompted analysts to cut estimates.

Nike declined 2 1/2 to 58 1/2 after the footwear and apparel company said 1992 earnings would fall on the low end of analysts' estimates.

Declining common stocks led advancing issues by 2 to 1. Trading was active, with about 192.04 mil-

N.Y. Stocks

have loans outstanding of more than \$300 million to O&Y. The giant Canadian real estate developer is seeking to restructure about \$12 billion of its \$18.5 billion in debt.

The Dow Jones industrial average fell 15.79 points to 3,353.09. The index dropped late in the day on computer-driven sell orders connected to the expiration of May's stock options and futures indexes.

"The options expiration really knocked a lot of the market," said Robert Ritter, market analyst at Ladenburg, Thalmann & Co. "If it weren't for the late sell-off, the stock market held up pretty well considering the O&Y news."

Declining common stocks led advancing issues by 2 to 1. Trading was active, with about 192.04 mil-

Rate-Cut Speculation Pressures Dollar Lower

NEW YORK — The dollar finished lower Friday in trading on continued speculation about the possibility of further U.S. interest rate cuts in the near-term. Traders said the U.S. currency failed to get a boost from a 0.5

percent increase in industrial production in April and a 0.3 point gain in capacity utilization.

Instead, the market was awaiting more clues on interest rates and looking ahead to a meeting next week of a key policy-making committee of the Federal Reserve Board. Traders see a good chance of even lower rates.

The dollar was quoted at 1.6065 DM at the end of the session, down from an opening of 1.6205 and down from 1.6135 at the close Thursday. It also lost ground to 129.80 yen from 130.55 and 130.35.

The dollar had started well enough as a U.S. money supply and consumer confidence data provided unexpected support overnight. But it quickly came under selling pressure.

The dollar dropped to 1.4795 Swiss francs from 1.4880 at the start. It fell to 5.4125 French francs from 5.4225 on Thursday. The pound rose to \$1.8203, after \$1.8190.

(Reuters, Bloomberg)

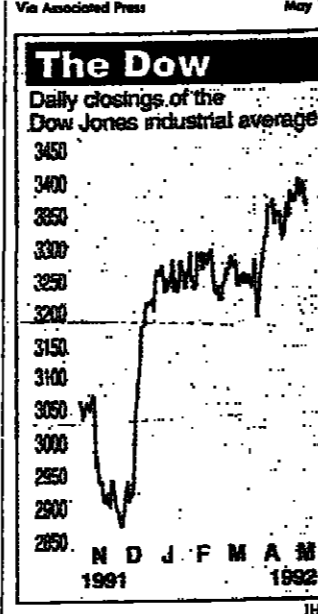


Table titled 'The Dow' showing daily closings of the Dow Jones industrial average from 1991 to 1992. Columns include date, high, low, and close.

Table titled 'NYSE Most Active' showing the most active stocks on the NYSE. Columns include stock name, volume, high, low, and change.

Table titled 'NYSE Diary' showing a summary of market activity on the NYSE. Columns include category, volume, and change.

Table titled 'Amex Diary' showing a summary of market activity on the Amex. Columns include category, volume, and change.

Table titled 'NASDAQ Diary' showing a summary of market activity on the NASDAQ. Columns include category, volume, and change.

Table titled 'Dow Jones Averages' showing various market indices and their values.

Table titled 'Standard & Poor's Indexes' showing various market indices and their values.

Table titled 'NYSE Indexes' showing various market indices and their values.

Table titled 'NASDAQ Indexes' showing various market indices and their values.

Table titled 'AMEX Stock Index' showing various market indices and their values.

Table titled 'Dow Jones Bond Averages' showing various market indices and their values.

Table titled 'Market Sales' showing various market indices and their values.

Table titled 'N.Y.S.E. Odd-Lot Trading' showing various market indices and their values.

Table titled 'SAP 100 Index Options' showing various market indices and their values.

Table titled 'EUROPEAN FUTURES' showing various market indices and their values.

Table titled 'Food' showing various market indices and their values.

Table titled 'Metals' showing various market indices and their values.

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WORLD STOCK MARKETS

Agency France Press May 15

Table titled 'WORLD STOCK MARKETS' showing stock market data for various countries including Amsterdam, Helsinki, Hong Kong, Brussels, Frankfurt, Milan, London, Johannesburg, Sao Paulo, Singapore, Zurich, and Toronto.

Market Closed

The stock market in Madrid was closed Friday for a public holiday.

Table titled 'Market Closed' showing stock market data for various countries including Madrid, Milan, London, Johannesburg, Sao Paulo, Singapore, Zurich, and Toronto.

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Autos Spur U.S. Production by 0.5% WASHINGTON (Bloomberg) — The output of U.S. factories, mines and utilities increased in April for the third consecutive month and was driven mainly by increased auto production, the Federal Reserve System said on Friday.

Alexander's Inc. Files for Protection NEW YORK (Reuters) — Alexander's Inc., one of New York's oldest and most troubled retail chains, shut its doors on Friday and filed for protection under Chapter 11 of the U.S. Bankruptcy Code and would try to re-emerge as a real estate operating company.

Keating Family: First Guilty Plea LOS ANGELES (NYT) — A son-in-law of Charles H. Keating Jr. pleaded guilty Friday to three federal fraud counts in connection with the collapse of the Lincoln Savings & Loan Association and agreed to cooperate with prosecutors as they pursue their case against Mr. Keating.

Nike Says Earnings Will Disappoint BEAVERTON, Oregon (Bloomberg) — Nike Inc., responding to analysts' concerns about corporate profits, said Friday that fiscal 1992 earnings would fall below investors' expectations.

Exxon to Trim Staff by Up to 12% HOUSTON (Reuters) — Exxon Co. U.S.A. said on Friday it would trim its salaried workforce by at least 1,000, or 10 percent to 12 percent of the total, in an effort to improve the company's efficiency and competitiveness.

For the Record Berkshire Hathaway Inc., the billionaire Warren Buffett's big investment company, said its first-quarter profit fell 46 percent on only a small gain in investments. Berkshire Hathaway said quarterly net income was \$67.4 million, or \$58.82 per share.

U.S. FUTURES Via Associated Press May 15

Table titled 'U.S. FUTURES' showing various market indices and their values.

Table titled 'Grains' showing various market indices and their values.

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Table titled 'Financial' showing various market indices and their values.

Table titled 'Commodity Indexes' showing various market indices and their values.



U.S. Production by 0.5%

omburg) — The output of U.S. factories...

Inc. Files for Protection

— Alexander's Inc., one of New York's...

ily: First Guilty Plea

— A son-in-law of Charles H. Keating...

arnings Will Disappoint

— Nike Inc. reported its quarterly...

Staff by Up to 12%

— Exxon Co. U.S.A. said on Friday...

ard

— The millennium Warren Buffett's...

Industrials

— A spate of scandals and a tumbling...

Stock Indexes

— A government advisory panel on...

Commodity Indexes

— The analyst estimated, however...

Unilever Profit Rises, But Costs Remain High

LONDON — Unilever PLC, the Anglo-Dutch consumer-products...

Losses Grow At Europe's Air Carriers

BRUSSELS — The Association of European Airlines estimated...

Prices Hit U.K. Rate Cut Hope Sharp Retail Rise Confirms Tough Inflation

LONDON — Britain's main measure of inflation, the retail price index, jumped 1.5 percent...

Investor's Europe

Table with columns: Exchange, Index, Friday Close, Prev. Close, % Change. Includes Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, Amsterdam CBS Trend, etc.

Fiat Cuts Dividend 37%

MILAN — Fiat SpA announced on Friday a 31 percent fall in net profit for 1991 and an even bigger cut in its dividend...

Dresdner Claims Strong Profit Rise

DRESDEN, Germany — Dresdner Bank AG, Germany's second-largest bank, reported on Friday...

HSBC Seen Riding Out O&Y Storm

HONG KONG — HSBC Holdings, a major creditor of Olympia & York Developments Ltd., will ride out relatively unscathed a storm...

Very briefly:

- Bulgaria and its creditors failed to agree on proposals for solving the country's \$10 billion foreign debt problem...

Bad Year at Japan Brokers More Cuts May Be Needed to Restore Profit

TOKYO — A spate of scandals and a tumbling stock market produced one of the worst years ever for Japanese brokerage firms...

HSBC Seen Riding Out O&Y Storm

HONG KONG — HSBC Holdings, a major creditor of Olympia & York Developments Ltd., will ride out relatively unscathed a storm...

S.A. Brewing Launches Merger Bid for Foster's

SYDNEY — S.A. Brewing Holdings Ltd. launched on Friday a surprise \$1 billion Australian dollar (\$4.5 billion) bid to merge with Foster's Brewing Group Ltd...

Investor's Asia

Table with columns: Exchange, Index, Friday Close, Prev. Close, % Change. Includes Hong Kong Hang Seng, Singapore Straits Times, Tokyo Nikkei 225, etc.

Tokyo Will Not Fine Building Firms

TOKYO — In a decision that elicited immediate and harsh criticism in Japan, the Fair Trade Commission decided Friday not to criminally prosecute 66 construction companies on charges of rigging bids...

Japan Checks Up on Its Quality of Life

TOKYO — A government advisory panel on Friday unveiled a new set of indicators measuring national affluence and urged Japan to use them as a way to achieve a better quality of life.

O&Y: Banks and Markets Were Prepared for Filing

(Continued from page 1) lines to deal with their lenders. They are saying that a bankruptcy filing in the first weapon in their arsenal if the banks don't cooperate.

Very briefly:

- Jardine Matheson Holdings Ltd. led a consortium in a formal submission to the Hong Kong government on a bid for the next local container terminal at the Kwai Chung container port.

LONDON: O&Y Struggles to Stay Afloat in Britain and Avoid a Sell-Off

(Continued from page 1) "Jumping the queue," attempting to seize assets without regard for the seniority of their claims.

Japan Checks Up on Its Quality of Life

TOKYO — A government advisory panel on Friday unveiled a new set of indicators measuring national affluence and urged Japan to use them as a way to achieve a better quality of life.

HSBC Seen Riding Out O&Y Storm

HONG KONG — HSBC Holdings, a major creditor of Olympia & York Developments Ltd., will ride out relatively unscathed a storm...

CANADA: Is the Worst Over?

(Continued from first finance page) down more than 16 percent from a February high of 33.87%. Fears of how many dominoes will fall have increased difficulties for companies trying to raise money, especially in the commercial paper market.

THE
REPORT

FIRST COLUMN
**A High Cost
For Low
Inflation**

FEW people in the industrial world would wish a return of the runaway inflation that plagued it in the late 1970s. Rapid increases in the prices of such necessities as fuels and food eroded purchasing power at a frightening rate and helped build the political support for the inflation-squeezing spearheaded by Paul Volcker at the Federal Reserve and followed by his counterparts elsewhere.

The fight against inflation was pursued throughout the 1980s, becoming the predominant goal of governments and central banks. But when does the undeniable wisdom of maintaining the value of currencies harden into a conventional wisdom that can stunt economies? Might it be time for the policy-makers of the world to admit that inflation is no longer the chief enemy of prosperity?

The thing to remember, as recounted in these pages this week, is that both inflation and deflation involve a transfer of wealth. When prices of things are rising faster than the price of money, otherwise known as interest rates, borrowers benefit through the appreciation of their physical assets. When the reverse is true, the lenders are the winners. Do you hear echoes of the rich getting richer, for it is they who can lend, and the poor (or middle class, or even manufacturing businesses) getting poorer, for it is they who must borrow?

That leads back to one of the favorite themes of the hour, the distribution of wealth. Just as it may not be possible to consign the people of south-central Los Angeles to falling incomes and collapsing lives without visiting havoc on the rest of the city, for the sake of the commonweal it may not be wise to keep pressing on prices when that suits rentiers but destroys jobs and the value of people's homes.

To bring about lower interest rates, of course, it's not enough for governments to lean on central banks. Budget deficits must be cut so government borrowing can be rolled back, and both the United States and Germany need to work much harder in this area.

But above all everybody, especially Germany, needs to remember that while staking everything on the fight against inflation is often a good idea, sometimes it isn't.

D.C.

**Funds to Fall Back On:
A Bear's Eye View**

By Conrad de Aenlle

INVESTORS who feel the stock market has gotten ahead of itself must confront two tidbits of conventional wisdom before they sell: Stocks outperform bonds and cash in the long run (this is true), and it is always a good idea to keep some portion of assets in equities (this may be true, and many analysts believe it, although there's no way to prove it).

"Equities should always be the biggest portion of a youngish person's portfolio," advised Stephen Leeb, editor of the newsletter Personal Finance. With world markets frothing, he added, stocks should "still be the biggest holding, but less than at any other time."

Ken Weber, editor of Weber's Fund Advisor, said, "I'm really a nonbeliever in buy and hold; buy and hold can be disastrous. But he added: "As long as you're well diversified, there's nothing wrong with keeping a portion of your money in a top-quality mutual fund at all times, but you should be prepared to move the bulk of your money as market conditions change."

Investors who accept those arguments might want to start looking for equity funds that stand a better chance of beating the pack should the worst happen—in other words, funds that ought to fall gently while others send their sweating shareholders out to perch on ledges.

The first step, Mr. Leeb said, is to look for funds that weathered prior downturns in relatively good shape. The research firm Mirocral was asked to find just such funds, those that performed best in dollar terms during the three bear markets of the last 20 years.

Performance was measured from the highest month-end close of the Morgan Stanley World Index to the lowest. The three periods studied were February 1973 to September 1974, when the Morgan Stanley index fell 43.4 percent; August to October 1987, with an 18.7 percent drop; and July to September 1990, off 19.3 percent.

The best of funds during the worst of times prove to be a hodgepodge of different objectives, investment sectors and domiciles. In the case of the 1990 decline, hedgepodge is more like it. Three of the top funds were hedge or short funds, including the best, the offshore Alpha Short fund.

Actually, considering that the managers and shareholders of that kind of fund live and die waiting for markets to plunge, the

best fund was not all that good. Even though Alpha Short gained 15.52 percent, that was less than the fall in the Morgan Stanley World Index, so it underperformed during one of the rare market declines of the last decade.

The most conspicuously successful group of conventional funds in 1990 was precious metals, with four of the top 20. In 1987, Far Eastern funds predominated, also with four of the top 20, and in the early '70s bear, it was German funds, with 15 of the top 20. The DAX index of German shares fell 31 percent then, but that was far less than most other markets during that miserable time.

The fact that there was no consistency in the groups from market to market, and indeed no fund in the top 20 in any period appeared during any other confirms Mr. Leeb's second piece of advice for surviving a selling assault: Avoid sector funds.

"You want something with broad holdings," he said. "You don't want something that outperforms because they're in the right place at the right time, but because they have a conservative strategy." Sure, some sectors will be standouts, but it's hard to know ahead of time which they will be.

Nigel Sidebottom, associate director of the London brokers Gerrard Vivian Gray, disagreed, however, and said that gold or mining shares provide "a classic hedge against collapse in equity markets, although in recent years it has been disappointing." He said an attractive fund that invests in mining shares is Mercury Golden General.

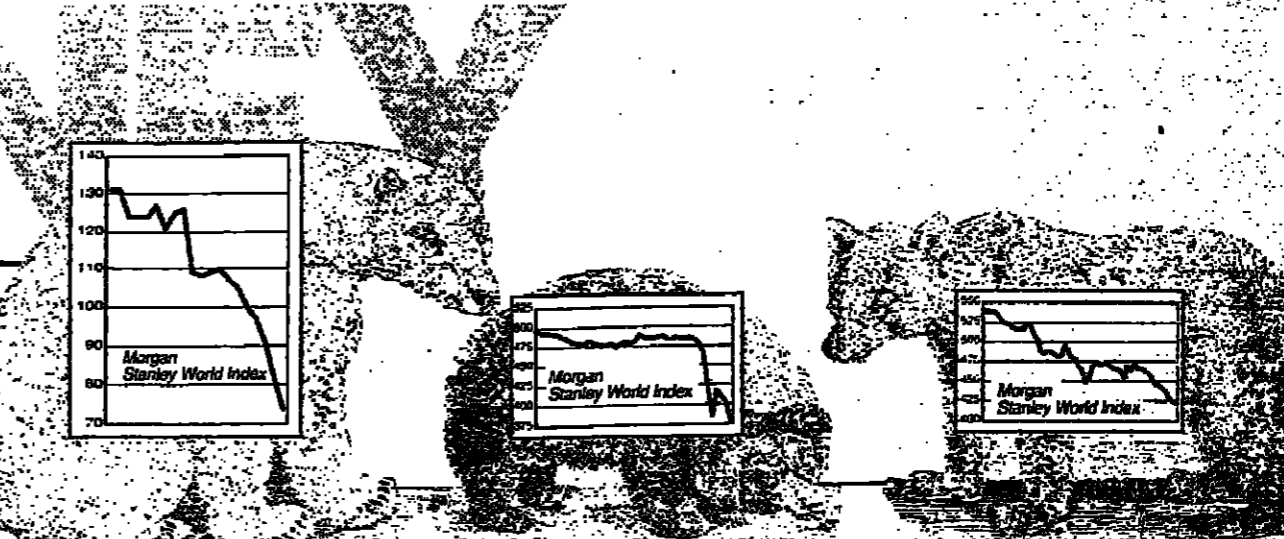
One way to make a safer choice, analysts emphasized, is to look for a fund with consistent management.

"The main thing is to look for a portfolio manager who's been with the fund for four or five years," Mr. Weber said. "If his record is a good one, you might want to stick with that fund."

He said the choice of manager is more important even than the type of fund: "Performance is key. If a particular portfolio manager has done well over three to five years, you want to stick with that person regardless of what his style may be."

An example he gave is Morris Smith, who took over for Peter Lynch at Fidelity's Magellan fund. The problem is that just when Mr. Smith was starting to hit his stride, he strode out the door. But Mr. Weber finds his replacement, Jeff Vinik, an acceptable substitute that meets his criteria for solid, consistent management.

"Magellan is probably a good bet for many buy-and-hold-people," he said.



Long Slump			Sudden Crash			Broad Decline		
Funds	Area	charges.	Funds	Area	charges.	Funds	Area	charges.
International Investors	United States	166.86	International	International	123.32	Alpha Short	North America	111.33
Goring Dynamik Funds	International	114.09	Morgan Grenfell Jap Small Cos	Japan	114.13	Gam Selection	United States	108.88
Kapitofonds Spezial	International	96.56	Swiss Life Equity	United Kingdom	112.24	Citi Grf Japanese Equity	Japan	106.78
Mutual Shares Fund	United States	94.38	Canon UK Capital Growth	United Kingdom	110.81	Woverley Australasian Gold	Australia	106.72
Wode Fund Inc.	United States	93.60	Maldon General	United Kingdom	110.67	Rainbow Excellent	International	106.71
Vermögens-Aufbau-Fonds	International	92.96	Royal Life Intl UK Equity	United Kingdom	110.57	Pulman Premier Inc Class A	International	106.51
ArDeka	Europe	92.42	Fornosa Fund	Taiwan	110.25	Gartmore Phoenix	International	106.50
Dif-Fonds f. Vermogens.	Germany	91.20	Mercury Intl Pacific	For East Ec.	110.20	Pulman Premier Inc Class B	International	106.50
Pi America Dynamik Funds	United States	91.11	Cu International Exempt	International	110.05	Nicholas Applegate Aurelio	North America	104.95
Barclays Unicorn Special Sls	United Kingdom	90.77	Royal Life Intl European	Europe	109.47	Nicholas Applegate Hedge	North America	104.69
Oppenheim Privat	Germany	90.36	Temple Bar Smaller Companies	United Kingdom	109.34	Key Hedge Fund	North America	104.25
Pi Intersepal II	International	89.89	Espir	Europe	109.18	Orbis Leveraged Equity	International	104.10
Ivera Funds	International	89.64	Target Heavy Growth	International	108.18	Moais Actions Nord-Americ	North America	104.00
Pi Intersepal	International	88.22	Nihonshi Fund	Japan	105.65	INVECO Gold	International	103.78
Deutscher Vermogens.	International	86.47	Wellington International Growth	International	105.10	Orbis Optimal Equity	International	103.72
Adverbo	Germany	86.43	Hansard European Managed	Europe	104.72	Prov Capital Gold Trust	International	103.25
Unifonds	Germany	86.04	Dantrust	Denmark	104.66	Banhard Prec Metals	United States	103.15
Neuberger Partners Fund	United States	86.03	Morgan Grenfell Overseas Assets	International	104.22	Big Fund	France	103.10
Investo	Germany	85.58	Adams & Neville Capital	International	103.95	Mulgill S.A. (nl)	International	102.99
Delafonds	Germany	85.34	Paribas Interk (nl)	International	103.62			

Mr. Weber warned that fund companies don't always announce when a manager is leaving, so shareholders have to stay on their toes. He noted that managers at certain families, such as Twentieth Century and Value Line, must adhere to a set of concrete principles, making for less variation in management style. But that still allows for wide variation in performance.

The more conservative Twentieth Century Select, for instance, "will lose less than sib-

ber market hits, Ultra will lose 60 percent of its value.

In the May 8 edition, he wrote: "This relatively mild correction has provided the novice mutual fund investor with an unsavory taste of risk. What goes up fast also comes down fast."

One reason funds reverse course in a hurry is they are overvalued by such traditional measures as price/earnings ratio. Another way to cushion the blow in a downturn, Mr.

"It comes down to the individual's risk tolerance," Mr. Weber said. "If you're a risk-averse investor, you want to go for a balanced fund."

Two he mentioned are Lindner and Lindner Dividend, which have strong bond holdings.

Mr. Sidebottom had some more exotic tonics for cutting risk. One is futures and options funds.

"Clearly this type of fund has got as much chance of making money in a rising market as a falling market," he noted. "There's a catch, of course. They've got to get it right, they've got to judge the market correctly. It's a high-risk business. You can do extremely well or extremely badly."

The other type of vehicle is funds that invest in Third-World, or emerging, markets. "The reason here is emerging markets are volatile and risky markets, but there isn't a strong correlation with mature markets like the U.S., Britain and Japan. It's quite a good way of reducing volatility by having them in a larger portfolio." Two he cited are Templeton Emerging Markets and Genesis Worldwide Emerging Markets.

"No matter what variety of fund is chosen, Mr. Weber stressed, "You have to pick something you understand, that makes sense to you, that has done very well over a period of time, then stick to that."

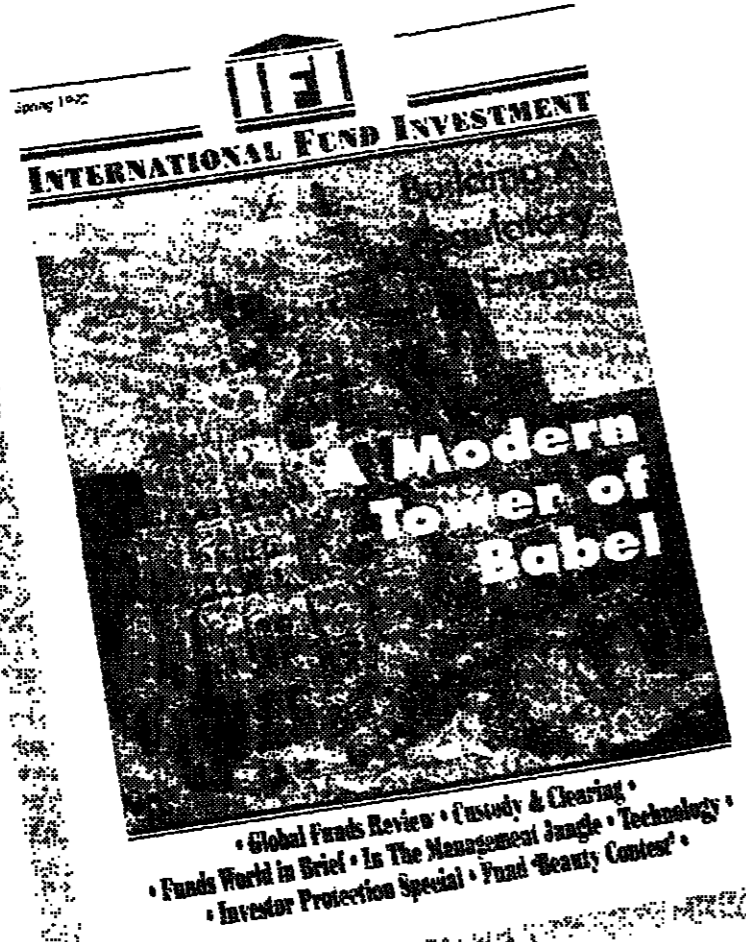
Investors might look for equity funds that stand a better chance of beating the pack should the worst happen — in other words, funds that ought to fall gently while others send their sweating shareholders out to perch on ledges.

ling Twentieth Century funds and rise less in a bull market," he said. For example, the family's highly ranked Ultra fund, which invests in small- to medium-sized companies in industries such as biotechnology, has lost more than 20 percent of its value over the last three-plus months, as smaller companies' share prices have fallen somewhat while U.S. blue chip stocks have been flat to slightly higher.

James Stack, editor of Investech Mutual Fund Advisor, has said that when the next

Leeb said, is to look for funds with P/Es below average for the market. Examples of funds that fit that and his other criteria are Fidelity Balanced, USAA Mutual Income Stock Fund and Pax World, which he also likes because it doesn't buy shares in companies that do many things like sell cigarettes.

Risk, and how much of it an investor can stand, is the key to choosing a fund, the analyst says. For those who can't stand much, maybe a fund with bonds and cash, mixed in with equities, is more suitable.



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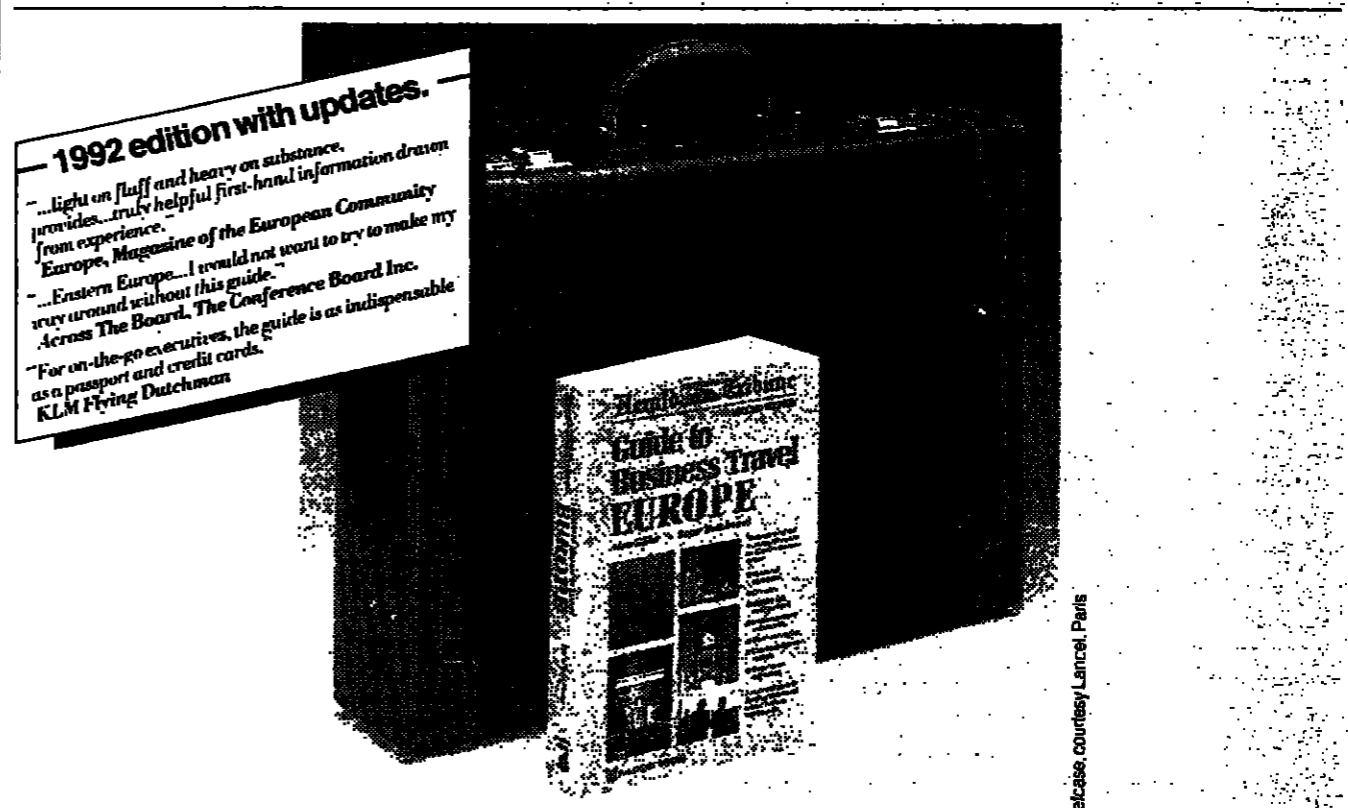
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THE MONEY REPORT

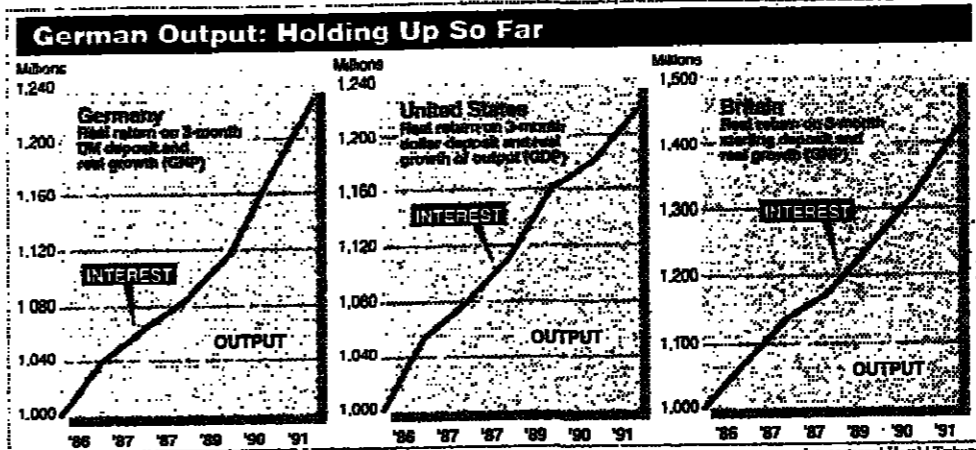
Strategies for High, Low, or No Inflation

By Barbara Rosen
WITH the labor unrest in Germany...

control of the White House or Congress. In an America that feels comfortable with a core annual rate of 3 percent...

er inflation. Mr. Grubb forecasts that the inflation-adjusted earnings per share...

modities, says Ravi Bulchandani of Goldman Sachs in New York. A basket of money — European currency units...



Asset Plays Start to Look Up

By William Ellington
COMPANIES with large holdings of physical assets, such as oil, lumber or property, have sometimes produced losses in recent years...

decade or more the economic effects can be important. This has recently been demonstrated by rising unemployment, corporate failures and some spectacular real estate crashes...

pan are leading the way. With pound linked to the Deutsche mark, Britain hasn't yet been able to lower its interest rates below those of Germany...

Should Germany achieve 2 percent inflation, the Bundesbank would have the power to cure European inflation like the guillotine cured Marie Antoinette's migraine.

who covers European equity markets for Morgan Stanley, government bonds and equities tend to outperform cash. Bonds benefit from expectations of lower inflation and lower interest rates...

to outperform as inflation falls and underperform as it rises. GOING UP! If you expect inflation to rise significantly, Mr. Grubb says, in theory you get out of government bonds, where prices would be expected to fall as interest rates rise...

Mr. Veitia says most good U.S. mining and metals stocks offer the best of both worlds. They are in a recovery sector, and offer the classic commodity hedge against inflation.

Best Performing Mutual Funds

Leading mutual funds from Belgium, Britain, France, Germany, Ireland, Italy, Luxembourg, Offshore Territories, Switzerland and the United States. Value of \$100, income reinvested, excluding charges.

Table with columns: Fund, Domicile, Performance. Lists various international mutual funds and their performance metrics.

Table with columns: Fund, Domicile, Performance. Lists mutual funds performing well over one year to May 1, 1992.

Table with columns: Fund, Domicile, Performance. Lists mutual funds performing well over five years to May 1, 1992.

BRIEFCASE

Schwab & Co. Center Caters to Hispanics

From the looks of most financial service ads in the United States, investors must all trace their roots to someone who arrived on the Mayflower...

Less Gold in the Pot For Fund Managers

The growth in salaries and bonuses of pension and tax-exempt mutual fund managers slowed to 10 percent in each of the first two years of the decade...

A Contract Based On 18 Commodities

The Chicago Mercantile Exchange has filed for approval to sell futures and options contracts based on an index of 18 commodity futures prices developed by Goldman Sachs.

Eurotrack Derivatives Prove a Bust at LIFFE

The London International Financial Futures and Options Exchange is ending futures and options contracts on the Eurotrack 100 index of continental European shares.

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NYSE

Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Symbol	Price	Change
IBM	111.125	+0.125
MSFT	61.625	+0.125
ORCL	43.875	+0.125
GE	28.875	+0.125
GM	23.875	+0.125
AMZN	17.875	+0.125
GOOG	15.875	+0.125
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NASD

Friday

NASDAQ

Friday's Prices
 NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Symbol	High	Low	Open	Close	Change	Volume	Market Cap
AA	12.5	12.2	12.4	12.3	-0.1	100	100
AAE	10.0	9.8	9.9	9.9	0.0	50	50
AAE	11.5	11.2	11.4	11.3	-0.1	100	100
AAE	13.0	12.7	12.8	12.8	0.0	50	50
AAE	14.5	14.2	14.3	14.3	0.0	100	100
AAE	16.0	15.7	15.8	15.8	0.0	50	50
AAE	17.5	17.2	17.3	17.3	0.0	100	100
AAE	19.0	18.7	18.8	18.8	0.0	50	50
AAE	20.5	20.2	20.3	20.3	0.0	100	100
AAE	22.0	21.7	21.8	21.8	0.0	50	50
AAE	23.5	23.2	23.3	23.3	0.0	100	100
AAE	25.0	24.7	24.8	24.8	0.0	50	50
AAE	26.5	26.2	26.3	26.3	0.0	100	100
AAE	28.0	27.7	27.8	27.8	0.0	50	50
AAE	29.5	29.2	29.3	29.3	0.0	100	100
AAE	31.0	30.7	30.8	30.8	0.0	50	50
AAE	32.5	32.2	32.3	32.3	0.0	100	100
AAE	34.0	33.7	33.8	33.8	0.0	50	50
AAE	35.5	35.2	35.3	35.3	0.0	100	100
AAE	37.0	36.7	36.8	36.8	0.0	50	50
AAE	38.5	38.2	38.3	38.3	0.0	100	100
AAE	40.0	39.7	39.8	39.8	0.0	50	50
AAE	41.5	41.2	41.3	41.3	0.0	100	100
AAE	43.0	42.7	42.8	42.8	0.0	50	50
AAE	44.5	44.2	44.3	44.3	0.0	100	100
AAE	46.0	45.7	45.8	45.8	0.0	50	50
AAE	47.5	47.2	47.3	47.3	0.0	100	100
AAE	49.0	48.7	48.8	48.8	0.0	50	50
AAE	50.5	50.2	50.3	50.3	0.0	100	100
AAE	52.0	51.7	51.8	51.8	0.0	50	50
AAE	53.5	53.2	53.3	53.3	0.0	100	100
AAE	55.0	54.7	54.8	54.8	0.0	50	50
AAE	56.5	56.2	56.3	56.3	0.0	100	100
AAE	58.0	57.7	57.8	57.8	0.0	50	50
AAE	59.5	59.2	59.3	59.3	0.0	100	100
AAE	61.0	60.7	60.8	60.8	0.0	50	50
AAE	62.5	62.2	62.3	62.3	0.0	100	100
AAE	64.0	63.7	63.8	63.8	0.0	50	50
AAE	65.5	65.2	65.3	65.3	0.0	100	100
AAE	67.0	66.7	66.8	66.8	0.0	50	50
AAE	68.5	68.2	68.3	68.3	0.0	100	100
AAE	70.0	69.7	69.8	69.8	0.0	50	50
AAE	71.5	71.2	71.3	71.3	0.0	100	100
AAE	73.0	72.7	72.8	72.8	0.0	50	50
AAE	74.5	74.2	74.3	74.3	0.0	100	100
AAE	76.0	75.7	75.8	75.8	0.0	50	50
AAE	77.5	77.2	77.3	77.3	0.0	100	100
AAE	79.0	78.7	78.8	78.8	0.0	50	50
AAE	80.5	80.2	80.3	80.3	0.0	100	100
AAE	82.0	81.7	81.8	81.8	0.0	50	50
AAE	83.5	83.2	83.3	83.3	0.0	100	100
AAE	85.0	84.7	84.8	84.8	0.0	50	50
AAE	86.5	86.2	86.3	86.3	0.0	100	100
AAE	88.0	87.7	87.8	87.8	0.0	50	50
AAE	89.5	89.2	89.3	89.3	0.0	100	100
AAE	91.0	90.7	90.8	90.8	0.0	50	50
AAE	92.5	92.2	92.3	92.3	0.0	100	100
AAE	94.0	93.7	93.8	93.8	0.0	50	50
AAE	95.5	95.2	95.3	95.3	0.0	100	100
AAE	97.0	96.7	96.8	96.8	0.0	50	50
AAE	98.5	98.2	98.3	98.3	0.0	100	100
AAE	100.0	99.7	99.8	99.8	0.0	50	50

AMEX

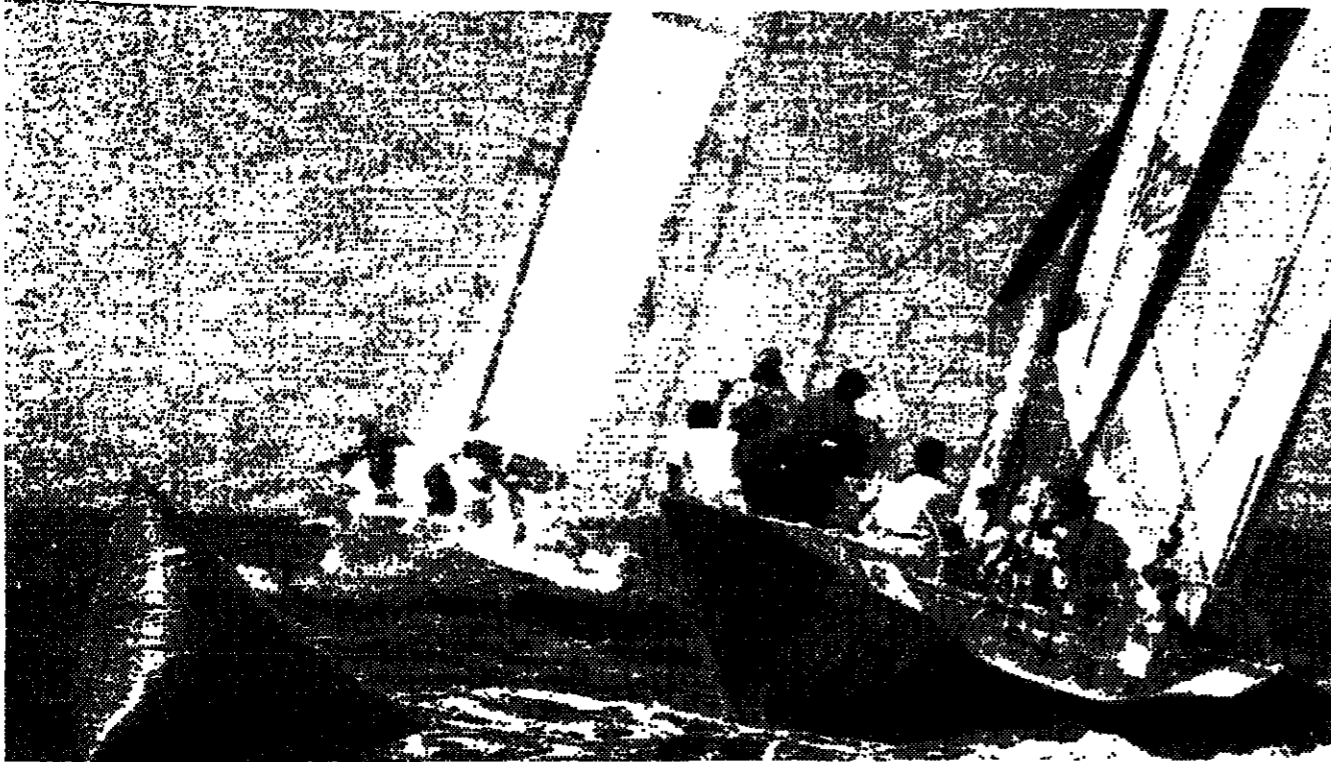
Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Symbol	High	Low	Open	Close	Change	Volume	Market Cap
AAE	12.5	12.2	12.4	12.3	-0.1	100	100
AAE	10.0	9.8	9.9	9.9	0.0	50	50
AAE	11.5	11.2	11.4	11.3	-0.1	100	100
AAE	13.0	12.7	12.8	12.8	0.0	50	50
AAE	14.5	14.2	14.3	14.3	0.0	100	100
AAE	16.0	15.7	15.8	15.8	0.0	50	50
AAE	17.5	17.2	17.3	17.3	0.0	100	100
AAE	19.0	18.7	18.8	18.8	0.0	50	50
AAE	20.5	20.2	20.3	20.3	0.0	100	100
AAE	22.0	21.7	21.8	21.8	0.0	50	50
AAE	23.5	23.2	23.3	23.3	0.0	100	100
AAE	25.0	24.7	24.8	24.8	0.0	50	50
AAE	26.5	26.2	26.3	26.3	0.0	100	100
AAE	28.0	27.7	27.8	27.8	0.0	50	50
AAE	29.5	29.2	29.3	29.3	0.0	100	100
AAE	31.0	30.7	30.8	30.8	0.0	50	50
AAE	32.5	32.2	32.3	32.3	0.0	100	100
AAE	34.0	33.7	33.8	33.8	0.0	50	50
AAE	35.5	35.2	35.3	35.3	0.0	100	100
AAE	37.0	36.7	36.8	36.8	0.0	50	50
AAE	38.5	38.2	38.3	38.3	0.0	100	100
AAE	40.0	39.7	39.8	39.8	0.0	50	50
AAE	41.5	41.2	41.3	41.3	0.0	100	100
AAE	43.0	42.7	42.8	42.8	0.0	50	50
AAE	44.5	44.2	44.3	44.3	0.0	100	100
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AAE	49.0	48.7	48.8	48.8	0.0	50	50
AAE	50.5	50.2	50.3	50.3	0.0	100	100
AAE	52.0	51.7	51.8	51.8	0.0	50	50
AAE	53.5	53.2	53.3	53.3	0.0	100	100
AAE	55.0	54.7	54.8	54.8	0.0	50	50
AAE	56.5	56.2	56.3	56.3	0.0	100	100
AAE	58.0	57.7	57.8	57.8	0.0	50	50
AAE	59.5	59.2	59.3	59.3	0.0	100	100
AAE	61.0	60.7	60.8	60.8	0.0	50	50
AAE	62.5	62.2	62.3	62.3	0.0	100	100
AAE	64.0	63.7	63.8	63.8	0.0	50	50
AAE	65.5	65.2	65.3	65.3	0.0	100	100
AAE	67.0	66.7	66.8	66.8	0.0	50	50
AAE	68.5	68.2	68.3	68.3	0.0	100	100
AAE	70.0	69.7	69.8	69.8	0.0	50	50
AAE	71.5	71.2	71.3	71.3	0.0	100	100
AAE	73.0	72.7	72.8	72.8	0.0	50	50
AAE	74.5	74.2	74.3	74.3	0.0	100	100
AAE	76.0	75.7	75.8	75.8	0.0	50	50
AAE	77.5	77.2	77.3	77.3	0.0	100	100
AAE	79.0	78.7	78.8	78.8	0.0	50	50
AAE	80.5	80.2	80.3	80.3	0.0	100	100
AAE	82.0	81.7	81.8	81.8	0.0	50	50
AAE	83.5	83.2	83.3	83.3	0.0	100	100
AAE	85.0	84.7	84.8	84.8	0.0	50	50
AAE	86.5	86.2	86.3	86.3	0.0	100	100
AAE	88.0	87.7	87.8	87.8	0.0	50	50
AAE	89.5	89.2	89.3	89.3	0.0	100	100
AAE	91.0	90.7	90.8	90.8	0.0	50	50
AAE	92.5	92.2	92.3	92.3	0.0	100	100
AAE	94.0	93.7	93.8	93.8	0.0	50	50
AAE	95.5	95.2	95.3	95.3	0.0	100	100
AAE	97.0	96.7	96.8	96.8	0.0	50	50
AAE	98.5	98.2	98.3	98.3	0.0	100	100
AAE	100.0	99.7	99.8	99.8	0.0	50	50

Symbol	High	Low	Open	Close	Change	Volume	Market Cap
AAE	12.5	12.2	12.4	12.3	-0.1	100	100
AAE	10.0	9.8	9.9	9.9	0.0	50	50
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AAE	13.0	12.7	12.8	12.8	0.0	50	50
AAE	14.5	14.2	14.3	14.3	0.0	100	100
AAE	16.0	15.7	15.8	15.8	0.0	50	50
AAE	17.5	17.2	17.3	17.3	0.0	100	100
AAE	19.0	18.7	18.8	18.8	0.0	50	50
AAE	20.5	20.2	20.3	20.3	0.0	100	100
AAE	22.0	21.7	21.8	21.8	0.0	50	50
AAE	23.5	23.2	23.3	23.3	0.0	100	100
AAE	25.0	24.7	24.8	24.8	0.0	50	50
AAE	26.5	26.2	26.3	26.3	0.0	100	100
AAE	28.0	27.7	27.8	27.8	0.0	50	50
AAE	29.5	29.2	29.3	29.3	0.0	100	100
AAE	31.0	30.7	30.8	30.8	0.0	50	50
AAE	32.5	32.2	32.3	32.3	0.0	100	100
AAE	34.0	33.7	33.8	33.8	0.0	50	50
AAE	35.5	35.2	35.3	35.3	0.0	100	100
AAE	37.0	36.7	36.8	36.8	0.0	50	50
AAE	38.5	38.2	38.3	38.3	0.0	100	100
AAE							

SPORTS AMERICA'S CUP



America's, left, leading Il Moro di Venezia, the challenger, around the weather mark in the fourth race of the America's Cup finals.

3 Up and One More to Go for America³ Routing Il Moro, U.S. Boat Closes In on Successfully Defending the Cup

Compiled by Our Staff From Dispatches

SAN DIEGO — Bill Koch's America³ is one victory from doing what every U.S. entry but one has done since 1851 — successfully defend the America's Cup.

America³ posted its second straight wire-to-wire victory over Italy's Il Moro di Venezia on Thursday, a 1-minute, 4-second effort that gave America³ a 3-1 lead in the best-of-7 series.

A victory on Saturday would ensure that the America's Cup remained at the San Diego Yacht Club at least until 1995.

The only skipper to wrest the Cup from American hands, John Bertrand of Australia, was in San Diego on Thursday to explore the feasibility of putting together a program for the next competition.

In 1983, Bertrand's Australia II trailed Dennis Conner's Liberty 3-1 before rallying to beat the U.S. boat and end the New York Yacht Club's 132-year winning streak.

Conner won back the Cup in 1987, but Koch eliminated Conner this time to become the 28th defender.

Bertrand said the difference between 1983 and 1992 was that while Australia II had a speed advantage over Liberty, America³ has the edge over Il Moro.

He said that Il Moro "has got more of a problem than we had."

"It's a tough program for them," Bertrand said. "There doesn't appear to be too much of an Achilles' heel."

"The impressive thing with the Cuban program," he added, referring to the America³ team, "is that it's really been brought together over the last two weeks, and that's been hard to do, the marriage of the technology with getting it all together and make it happen."

America³ led by 47 seconds two legs into the eight-leg, 20.03-nautical-mile race course off Point Loma on Thursday. Then Il Moro's skipper, Paul Cayard, ate into that on the windward third leg and trailed by 27 seconds at the mark.

"We were 11 boat lengths ahead, then we went down to about two boat lengths ahead," Koch said. "Part of it was we think we had up the wrong sail at the time."

But Cayard said the America³ crew "just outsailed us."

"I don't want to lay too much on the boat," he said. "Today they outsailed me. It's not going as easy as we might have hoped it would go, but we know they still have to win another race."

A glitch in sail handling at the sixth mark almost took a member of the America³ crew. Peter Fennelly, who grinds the winches, got his foot snagged in a jib sheet and was dragged overboard.

Jerry Kirby, the bowman, rescued Fennelly by hoisting the sodden crewman back on board. Kirby said he had taken out his pocket knife, thinking he might have to slash the line that was pulling Fennelly along with the boat.

Instead, other crew members eased the line so that Fennelly's foot could be released. Fennelly, whose white shirt was torn, said he was not injured.

It made for a messy mark-rounding as America's headsail flapped for a full minute while crewmen wrestled their mate back aboard, but by then Il Moro was more than half a minute behind and the margin was extended on each remaining leg.

But the Italians aren't panicking yet.

Enrico Chieffi, brother of Il Moro's strategist, Tommaso Chieffi, said: "Sure we are in trouble, 3-1 is not a good position. But we are not dead yet."

(AP, NYT, WP)

Don King Is Subject of FBI Investigation

The Associated Press

NEW YORK — The FBI sent two agents to the office of the boxing promoter Don King "in connection with an ongoing investigation," a bureau spokesman said Friday.

The spokesman, Joe Valiquette, would not disclose the nature of the investigation or the reason for the visit Thursday to King's New York townhouse, which houses his office.

Two newspapers had reported that federal agents confiscated computer disks and financial records in a "raid." The New York Daily News said the agents were believed to be from the FBI, the Internal Revenue Service and the U.S. attorney's office.

The agents went to the office a day after a former King financial officer offered more details about his allegations that King had defrauded Mike Tyson, the former heavyweight champion.

The New York Post said agents had been warned by King employees that the documents and disks might be destroyed by King.

But Valiquette said nothing had been taken from King's office and the two FBI agents were not accompanied by other agents from the other services. He said there was no federal search warrant.

He said they went on official business "in connection with an ongoing investigation, which we cannot disclose the nature of." King was out of town when the agents came, an aide said.

The incident was the latest in a flurry of legal activity surrounding the promoter.

In an affidavit filed Wednesday with the New Jersey State Board of Control, Joseph A. Maffia, King's former comptroller, charged that the promoter repeatedly ordered Tyson to pay sanctioning fees beyond those required by the WBC, WBA and IBF.

Other Maffia affidavits, filed in connection with pending litigation between Tyson and his former manager, Bill Cayton, detailed questionable deductions made from Tyson's purses and reported consultant fees paid to King's sons and his wife, as well as a \$52,000 annual salary paid to King's daughter to serve as president of the Mike Tyson fan club.

Meanwhile, in Indianapolis, the judge who presided over Tyson's rape trial on Thursday denied the boxer's request for a new trial.

Tyson's attorneys had sought a new trial on the grounds that jurors were prejudiced due to a fire at the hotel where they were staying.

For Pirates, Secret Is In the 9th

The Associated Press

The Pittsburgh Pirates own the best record in the major leagues and have finally found a way to beat the Atlanta Braves: Stay close and win it in the ninth.

For the second night in a row, the Pirates rallied in the ninth in-



BIG FALL — Koushiki, the American sumo wrestling star, falling Friday to defeat at the hands of Tomoeuji. It was Koushiki's second straight defeat in the 15-day Tokyo spring tournament, reducing his chances of winning promotion to sumo's top rank of yokozuna, or grand champion.

BASEBALL ROUNDUP

On Thursday night, it was Jeff King with a two-run, bases-loaded single providing the 4-3 victory in the only National League game.

On Wednesday, Jay Bell hit a solo homer for an 11-10 victory.

Until Wednesday night, the Pirates had lost seven straight regular season games to the Braves in Atlanta, dating back to Aug. 29, 1990.

The Pirates (23-10) have won seven of their last 10 games.

Blue Jays 5, Mariners 4: In Toronto, Devon White and Kelly Gruber clubbed two-run homers in the only American League game.

White broke an 0-for-11 slump and erased a one-run deficit with his home run off loser Calvin Jones in the seventh inning. Gruber added a run-scoring double to his two-run homer as the Blue Jays captured their ninth victory in their last 11 games.

BOOKS

BLACK WATER
By Joyce Carol Oates
154 pages. \$17. A William Abrahams Book. E. P. Dutton, 375 Hudson Street, New York, New York 10014.

Reviewed by Michiko Kakutani

REMEMBER Chappaquiddick? Senator Edward M. Kennedy and Mary Jo Kopechne? Joyce Carol Oates's latest novel, "Black Water," is a slim, melodramatic work that portrays a young woman who meets a famous senator one summer afternoon. The two set off on an ill-fated car ride, and the young woman meets a watery death in a mosquito-filled marsh.

Presumably Oates was attracted to the story because it embodies so many of the themes that have obsessed her throughout her prolific career: the violence and randomness of modern life; the intersection of private and public nightmares; the "unspeakable turn of destiny," as she once called it, that can instantly shatter an individual's hopes and dreams.

To be sure, Oates makes a few trivial alterations in the Kennedy-Kopechne story. The action in her novel occurs in the present, not 1969. The scene is Grayling Island, Maine, not Chappaquiddick. And the senator is driving a rented Toyota, not a black Oldsmobile.

For the most part, however, Oates plays up the resemblances between Edward M. Kennedy and her fictional sena-

tor, described as an "old-style liberal Democrat out of the 1960s, a Great Society man with a stubborn and zealous dedication to social reform." We learn that this senator fears assassination, that he has a family place on Cape Cod and that he has presidential aspirations.

Whereas the precise details of what happened to Senator Kennedy and Mary Jo Kopechne on the weekend of July 18, 1969, have remained elusive, Oates gives the reader an exacting account of what happens when her fictional senator meets the young woman she calls Elizabeth Anne (Kelly) Kelleher.

As she tells it, Kelly was a longtime admirer of the senator — she'd written her senior honors thesis on him — but was slightly reticent when she first met him at a party given by her friend Buffy on Grayling Island.

Kelly had recently survived a bad love affair, and she was wary about meeting new men. The senator, however, charmed her. They took a walk on the beach, they shared a kiss and he asked her to accompany him on the ferry to the mainland. There, she thinks, they will spend the evening in his motel room.

On the way to the ferry, however, the senator takes a wrong turn. Perhaps it's because the roads are poorly marked and the evening light is bad. Perhaps it's because he has had several drinks.

In any case, the car is suddenly off the road and plunging into the brackish waters of a marsh. Kelly feels the guard rail give way, she feels her head crack against

the window, a red mist flashing across her eye, and she feels the car sink down into the water on its side.

We may keep reading not only because Oates's gothic descriptions of Kelly's death are sensationalistic but also because there is an unconscious feeling that we're getting a behind-the-scenes account of what really occurred.

For all its literary pretensions, "Black Water" is simply the latest example of "fiction," a genre that evades the responsibilities of both history and fiction. It trades on the news value of a story, but obeys none of the rules of journalism; it exploits the liberties of fiction, but demands little exercise of the imagination.

That a writer as generously talented as Oates would produce such a book is a surprise. The reader can only surmise that her rapid rate of production left her, this time, without a story of her own.

Incantatory prose, full of rhythmic refrains and repeated motifs, is used by the author to describe Kelly's slow death by drowning. These passages are intercut with flashbacks, as Kelly literally sees her life passing before her eyes: her parents, her schoolmates, her lovers, her friends all flicker through her mind.

None of these accounts are particularly vivid or moving. Rather, they suffer from Oates's self-conscious, heavy-breathing prose and her constant appeal to the reader's worst voyeuristic impulses.

Michiko Kakutani is on the staff of The New York Times.

BRIDGE

By Alan Truscott

ON the diagramed deal from the Long Island Regional Swiss Championships, South's opening one-club bid was the Precision variety, showing 16 points or more. His partner made two doubles.

When a diamond was led to dummy's king, South did not fancy his chances. He led the heart queen, which was covered by the king and ace. A diamond was ruffed, and a club was ducked to West. South won with the jack in dummy and led a club to the ace, reaching this position:

NORTH		EAST	
♠ Q 10 4	♠ K J 5 2	♠ 7	♠ 8 7
♣ 5	♣ 8 7 6 5	♣ 9 8	♣ Q
♦ 8 6 3	♦ 2	♦ A 9 7	♦ 4 3
♥ 7 9	♥ 10 9	♥ 8 7	♥ 6
♣ 5	♣ 8 7 6 5	♣ 9 8	♣ Q

Needling five more tricks, South cashed the diamond ace for a spade discard and led a club. East was helpless after winning with the queen, for he was forced to lead from the spade king or give a ruff-and-stuff. West's heart nine was, sooner or later, the third trick for the defense.

PEANUTS



BEETLE BAILEY



CALVIN AND HOBBES



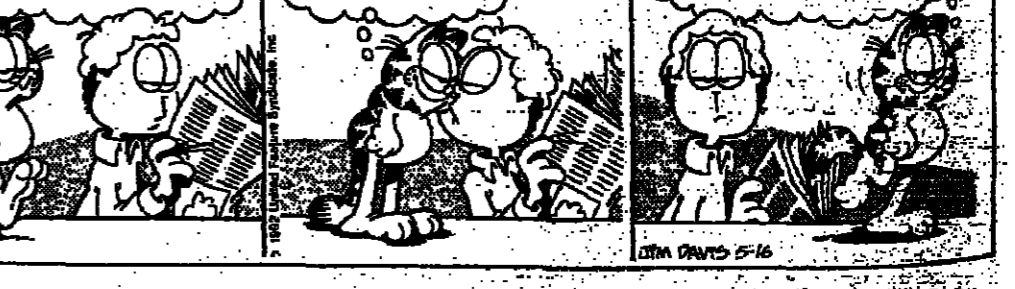
WIZARD OF ID



REX MORGAN



GARFIELD



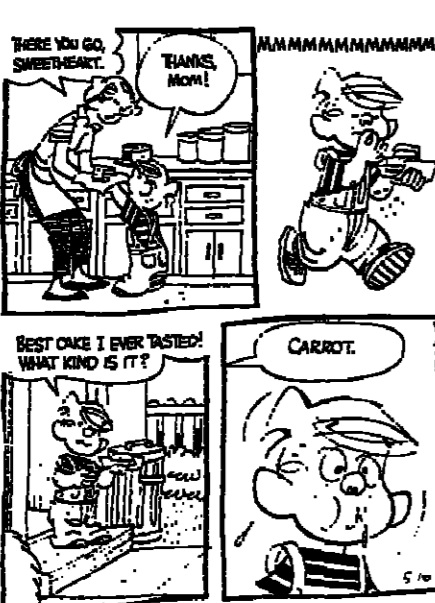
DOONESBURY



BLONDIE



DENNIS THE MENACE



JUMBLE

Unscramble these four Jumble words into letters to each reveal to form four ordinary words.

ARDOH

MAGEL

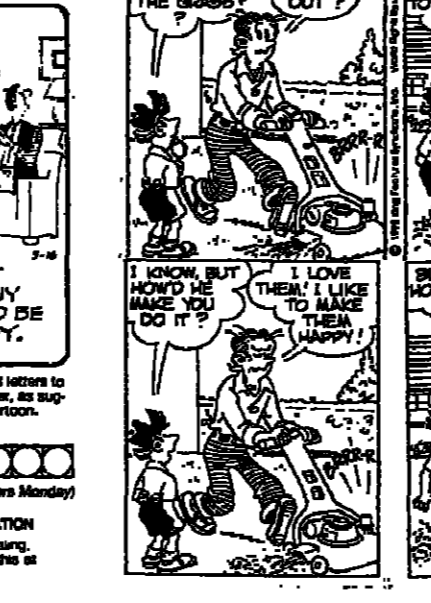
FACTUE

DYGOTS

Print answer here: _____

Yesterday's Jumble: COLON LOOSE DREDGE RATION
Answer: The good old days seem so spacious, because most of them suffer the at war time — GOOD MOR'N'!

BLONDIE



REX MORGAN



GARFIELD



SPORTS

SPORTS

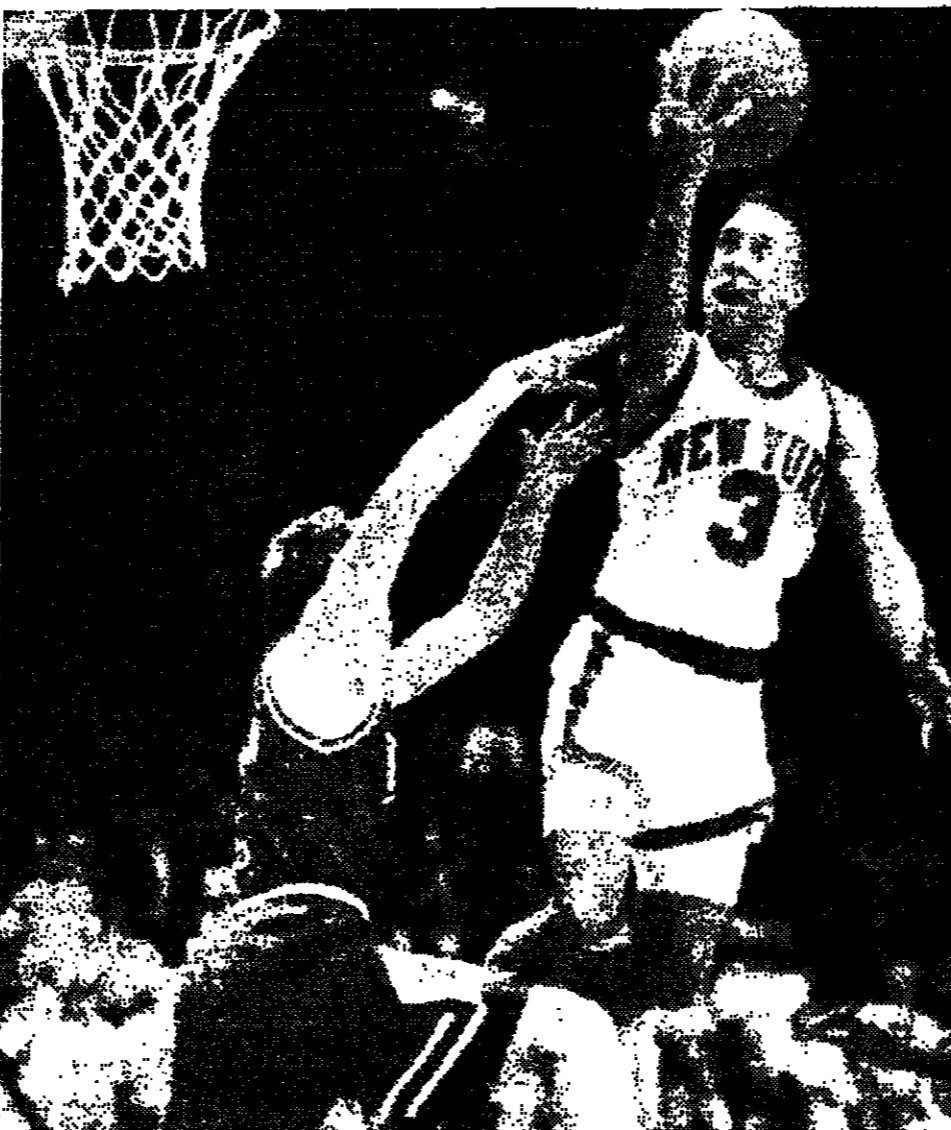
Knicks In, Rangers Out: Survival of the Toughest

By George Vecsey
NEW YORK — Hold back the carpenters. Tell the electricians to stay in touch. The main hall at Madison Square Garden is not currently available.

Vantage Point

The Knicks won with Patrick Ewing limping back into the game, and didn't that raise the memory of Willis Reed doing just that in the championship season of 1970? Now they must play the seventh game in Chicago on Sunday, but the Knicks have come so far that the home advantage for the Bulls may mean nothing.

THE KNICKS PLAY a physical brand of basketball that some people have judged as over the line. Their series against the Detroit Pistons in the opening round of the playoffs was vintage Connors, strutting and baiting and stalling and chaffing.



New York's John Starks floating over Chicago's John Paxson for 2 of his game-high 27 points.

Knicks Throttle Bulls, Setting Up a Showdown

By Clifton Brown
NEW YORK — The New York Knicks and the Chicago Bulls will play Game 7 on Sunday because the Knicks were determined to keep playing.

Chicago scores for the first 6 minutes 10 seconds of the final quarter Thursday night. New York steamrolled to a 100-86 victory to deadlock the 4-of-7 National Basketball Association Eastern Conference semifinal series at 3 games apiece.

Preakness Stakes Feels Beat of a Carefully Aimed Hammer

By Mike Freeman
BALTIMORE — In walks Hammer, and suddenly the Preakness has soul. It sings, it rhymes. It has Hammer, the cool rap dude who owns Dance Floor, a surprising third-place finisher in the Kentucky Derby and a contender in Saturday's Preakness Stakes, the second leg of U.S. racing's Triple Crown.

SIDELINES

Beribek Gets 4-Year Term for Rape

MIAMI (UPI)—Trevor Beribek, who lost his heavyweight boxing title to Mike Tyson in 1986, was sentenced Friday to four years in prison for having raped his children's babysitter.

Shreeves Fired as Tottenham Coach

LONDON (AP)—Peter Shreeves, manager of the English first division soccer club Tottenham, has been fired after one year in the job.

NFL Games Set for Europe and Asia

NEW YORK (AP)—Games in Tokyo, Berlin and London highlight the 60-game preseason schedule announced by the National Football League.

For the Record

Joe Montana, the San Francisco 49ers quarterback, underwent minor surgery on his right elbow on the afternoon of Sunday.

Quotable

Patrick Ewing, New York Knicks center, on his ankle sprain in the third quarter of Game 6 against Chicago: "The only way I wasn't going to come back in was if it was broken."

SCOREBOARD

Table containing Major League Standings for American League and National League, NBA Playoffs Eastern Conference Semifinals, and Japanese Baseball Central League.

TRAVELING

Tour Du Pont

Results in Thursday's elite stage in Virginia, a 98.5-mile (158-kilometer) race from the Homestead in Waterford, Va., to Herbert Hoover, Va.

TENNIS

ITALIAN OPEN In Rome
Jin Courier (11), U.S., def. Christian Panatta (11), U.S., 6-4, 6-1; Petr Korda (8), Czechoslovakia, def. Pete Sampras (2), U.S., 4-6, 7-6 (7), 6-2.

SOCCER

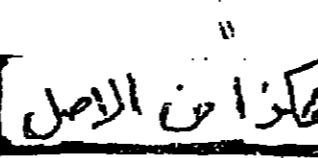
ITALYAN CUP Second Leg
Parma 2, Juventus 0
Parma won 2-1 on aggregate.

TRANSACTIONS

Table listing various sports transactions including American League, National League, and International Classified sections.

FEELING OUT OFF? AT&T USADirect Service can get you back to the office in seconds.

Table with international dial access numbers for various countries including Australia, Canada, Europe, and others.



DAVE BARRY

No Ralph Lauren Here

MIAMI — Recently, my family and I, in an effort to explore this great nation's western heritage...

In addition to cowboys, Montana has actual Indians. One of them, a member of the Crow tribe named Henry Real Bird...

Another nice thing about Montana is that it has a low crime rate. We spent some time in the state's largest city, Billings...

"I just think in Crow and write it down in English," he said, "and white people think it's poetry."

There was a scene of the re-actors cutting a chain to get at a roll of carpet, then loading it onto a truck and making their getaway.

On a cool but sunny day, we sat on a hill overlooking the beauty of the state...

Once you get out of the crime-infested Billings area, Montana mainly consists of humongous stretches of beautiful scenery...

Hand said that this summer, when the tourists are there, he plans to stage three reenactments of the battle.

Patronizing many Montana bars are actual cowboys wearing actual cowboy hats and dirt-intensive western-style clothing...

When literary types talk about Don DeLillo, the label is invariably given snuff with it as "reclusive."

"I think it shows a lack of perspective," he said. "But I have been pushing to change our team nickname from The Fighting Rams to The Fighting White Farmers."

Still, no one would mistake him for a sunny guy. "I suppose it's simply that I am not a hopeful person," he agrees with a laugh.

Listening to Life, Hearing Desperation

By David Streitfeld

NEW YORK — Movies, museums, dinners with friends: Don DeLillo comes here for reasons identical to those of tens of thousands of other excitement-seeking suburbanites.



The future in Don DeLillo's novels belongs to concealment, illness and disasters.

"Scott waited, living at the Y, eating his meals standing up at narrow counters set along streetside windows...

"The future," DeLillo writes in the sentence that got quoted in all the reviews, "belongs to crowds."

When literary types talk about Don DeLillo, the label is invariably given snuff with it as "reclusive."

There's an implication of a loner, an exile who doesn't want to find himself a media subject.

"Who do we take seriously?" asks a character in "Ma II." "Only the lethal believer, the person who kills and dies for faith."

There's also the problem of irrelevance. "Who do we take seriously?" asks a character in "Ma II."

When a writer doesn't show his face, it's a local symptom of God's famous reluctance to appear.

There's a particular snapshot DeLillo had in mind here. A couple years back, J.D. Salinger was ambushed near his home.

It's a solitary job for a novelist, monitoring these borders. "I live separately by design," he says.

PEOPLE

Mandela and de Klerk Receive Asturias Award

President Frederik W. de Klerk of South Africa and Nelson Mandela, the head of the African National Congress, were awarded the Prince of Asturias prize for international cooperation Friday for their efforts to achieve racial harmony and justice.

The son of a former bishop says he's disappointed that the man refused to have a relationship with him but he understands that he is his father's "damnation."

The Musée des Arts de la Mode et du Textile has announced the appointment of a new curator. Estelle Le Boer will take over as curator, returning to Paris after 14 years in New York working with Diana Vreeland at the Metropolitan Museum of Art's Costume Institute.

Diana, Princess of Wales, left Egypt on Friday after laying a wreath at a cemetery containing the graves of Commonwealth troops who died in the World War II, many of them in the desert battle of El Alamein.

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THE JUNIOR GUILD of The American Cathedral in Paris: CHARITY BAZAAR MAY 15th 1992.

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REAL ESTATE TO RENT/SHARE: PARIS AREA FURNISHED: NEAR EIFFEL TOWER, high floor, fully equipped studio.

REAL ESTATE TO RENT/SHARE

REAL ESTATE TO RENT/SHARE: GREAT BRITAIN: 1st/2nd Business Class frequent travelers.

REAL ESTATE TO RENT/SHARE

REAL ESTATE TO RENT/SHARE: AU PAIR - MANHATTAN: 2 children, high intelligence, French speaking.

REAL ESTATE TO RENT/SHARE

REAL ESTATE TO RENT/SHARE: FLORIDA WEST: 2 children, 7-11, Dutch speaking, bilingual, great future.

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